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## Staggering' Pollution Levels Reported in New U.S. Survey

By Stuart Diamond  
*New York Times Service*

NEW YORK — The first survey of toxic chemicals emitted into the air in the United States has found hazardous levels at far higher levels and at more locations than suspected, according to a congressional panel released Tuesday.

A survey of 80 large chemical sites found that thousands of

tons of cancer-causing agents and other hazardous materials are being released into the atmosphere from hundreds of factories. There are no uniform standards to control the emissions of most of the substances, the directors of the study said, and some of the materials are subject to no regulations.

"No government agency has ever attempted to gather this information, and the information we re-

ceived is not reassuring," said Henry A. Waxman, a California Democrat who ordered the survey as chairman of the House Subcommittee on Health and the Environment.

"Almost every chemical plant we received information about is releasing staggeringly high rates of hazardous chemicals, even in routine releases," he said.

Mr. Waxman said he planned to use the results to develop legislation for national standards to control the toxic materials.

The impetus for the survey stemmed from disclosures that no regulations controlled the release of methyl isocyanate, the substance that killed more than 2,000 people in Bhopal, India, on Dec. 3 after an accident at a Union Carbide pesticide plant.

There has been great interest in the survey because no national inventory has ever been taken of toxic chemicals emitted into the air, regulators said.

The U.S. Environmental Protection Agency last month surveyed Kanawha county in West Virginia, around a Union Carbide plant similar to the Bhopal plant. It found a spectrum of toxic substances in a region where some preliminary data have shown higher-than-normal numbers of cancer deaths at selected sites.

Detailed questionnaires were sent in late January to 80 of the largest chemical companies asking them to list the amounts of proven and suspected carcinogens and other hazardous materials being released to the air. A total of 67 companies responded, about 50 of them in detail. The several thousand pages of documents were made available to The New York Times.

Many of the high discharges occur in areas of the country associated with refineries and petrochemicals, the survey found. Among them are Louisiana, Texas, New Jersey, Ohio, Kentucky and West Virginia. In general, those areas have been associated with higher-than-normal incidences of cancer, although many experts say the evidence is not conclusive.

The survey also found a wide variation in safety planning by chemical companies. Some companies disclosed detailed plans to handle emergencies; others had only sketchy emergency plans.

This is certainly unprecedented and potentially very useful in helping us to set priorities about what to regulate," said David R. Patrick, chief of the pollutant assessment branch in the EPA's Office of Air and Radiation in Research Triangle Park, North Carolina. "We will be able to find out if there are pollutants we have missed in our evaluations. And we certainly

(Continued on Page 2, Col. 3)

## Neves Has 3d Operation Effort to Stop Bleeding

By United Press International

SAO PAULO — President-elect Tancredo Neves of Brazil underwent his third intestinal operation yesterday after doctors failed to stop bleeding resulting from the surgery.

Miller Rodrigues, director of the Heart Institute of the Hospital of São Paulo, said surgery was "not a very common-operative complication" and doctors "worried." He said as apparently no rupture of

stomach spokesman, commenting while Tuesday's surgery progress, said, "The situation made more serious by the fact the patient is 75 years old. I three operations in 11 days have been studded full of drugs."

Catholic Cardinal Paulo Evaristo Arns, archbishop of São Paulo, arrived at the hospital late in afternoon and said, "I was here to pray."

First operation March 15 ended Mr. Neves from taking office that day as the civilian president of Brazil after years of military rule. The self-elect underwent a second on last Wednesday to re-blockage that resulted from the surgery.

Under the constitution, Mr. Neves could remain in the presidential palace for the four years of the head of state's mandate.

This seems unlikely, for Mr. Neves has promised to convene a constituent assembly in 1986 to restore presidential election by universal suffrage. He was chosen by the National Electoral College.

Mr. Neves' illness could be a blow to democracy, Agence Presse reported from Brasília.

Neves is popular with bothicans and the voters. His absence leaves a political vacuum, for



Tancredo Neves

José Sarney, 54, lacks Mr. Neves's political legitimacy.

Mr. Sarney holds the vice presidency because of a deal between the ruling Brazilian Democratic Movement Party and dissidents of the Social Democratic Party, which was backed by the outgoing military regime, to ensure that Mr. Neves's election went smoothly. Mr. Sarney is a former head of the Social Democrats.

Under the constitution, Mr. Sarney could remain in the presidential palace for the four years of the head of state's mandate.

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The key figure now is Ulysses Guimaraes, president of the Democratic Movement, who is also president of the Chamber of Deputies. Mr. Guimaraes eased the path for Mr. Neves by keeping Democratic Movement radicals quiet. Because he has the president-elect's confidence, he might be able to negotiate an end to the deadlock.

(Continued on Page 2, Col. 3)

## Iraq Used Poison Gas Against Iran, U.S. Says

By Bernard Gwertzman  
*New York Times Service*

WASHINGTON — U.S. intelligence analysts have concluded that Iraq used chemical weapons during Iran's latest offensive against southern sector, administration officials said Monday.

It was publicly condemned by the United States in March 1984 for using poison gas against Iran, then, there had not been reports until Iran accused a week of having resumed poison gas.

Few purported victims of attacks to Austria and West Germany, where some doctors voted as having said that the attack was caused by mustard gas, agent that damages any tissue.

Administration officials said they evidence indicated that its use was mustard gas, a use of chemical weapons, a statement official said, is in the Geneva Protocol of which Iraq agreed to adopt.

State George P. Shultz, the U.S. foreign minister, who had the United Nations in New

York did not specifically accuse of using chemical weapons officials who asked not to be identified.

Intelligence analysis doubt that Iraq was using chemical agents again.

Mr. Kahl, the State Department spokesman, said:

"I am not going to get into the nature of the evidence that is available to the United States at present time. Let me say this, that the Iraqi government aware of the fact that the government strongly condemns the use of lethal chemicals and feels there is no justification for their use by any country."

As a result, the United States announced that it was imposing restrictions on the sale to Iraq of five chemical compounds that could be used in making mustard gas or nerve gas.

The European Community and Japan later said that they, too, were putting controls on the export of those chemicals, but administration officials said Monday that there was evidence that there had been violations by some Western companies.

Spokesmen said that Mr. Shultz in the meeting with Mr. Kahl reiterated "the absolute firm Son of the United States to

the use of chemical weapons, in violation of international conventions, wherever and whenever such use may occur."

When Mr. Aziz was asked by reporters later whether Mr. Shultz had mentioned chemical weapons, the Iraqi said, "I don't recall that."

Iraq has denied that it has used chemical weapons ever since the question was first raised last year.

There was no immediate explanation why the United States did not publicly disclose its information about Iraq's use of chemical weapons. One official said he believed there was a desire not to embarrass Mr. Aziz. Another official said the government wants to avoid compromising intelligence sources.

Administration officials said the United States believes that Iran is mainly to blame for the continuation of the 34-month-old war and it is trying to bring as much pressure as possible on Iran to end the war. Iran seems to believe that by raising the chemical weapons charges, it can gain public support.

Mr. Kahl said: "We are interested in Iraq's ideas for international efforts, especially at the United Nations, to bring the earliest and most comprehensive end to the Iran-Iraq war and the human suffering it continues to cause. The United States firmly supports practical and balanced international efforts toward this urgent objective."

In March 1984, American officials said that Iraq had been using mustard gas and that Iran had been using nerve gas and was building up a capacity for full-scale chemical warfare attacks.

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Sitting in front of a picture of Ayatollah Ruhollah Khomeini, Sayyed Jalal Sadatian, the chargé d'affaires at the Iranian Embassy in London, charges Iraq with using chemical weapons to repel the Iranian offensive in the Gulf.

(Associated Press)

Part of the evidence, in fact, for the conclusion that Iraq was using the gas was based on shipments to Iraq of chemicals vital for poison gas production.

**New Raids in Gulf**

An Iraqi plane attacked on Tuesday two separate areas in industrialized southern suburbs of Tehran near the city's oil refinery and cement works, killing nine persons and wounding 14, according to the Iranian news agency IRNA. Reports from Tehran.

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In a separate dispatch from Bahrain, Reuters reported that Iraq confirmed the raid on Tehran and its planes attacked the cities of Hamadan and Kermanshah in western Iran and hit two ships in the Gulf.

Shipping sources in the Gulf said a Panamanian merchant ship, the 14,650-ton Cape Gwadar, reported that it had been crippled in a rocket attack in the center of the Gulf, about 55 miles northeast of the Saudi Arabian port of Jubail. No casualties were reported.

The attack followed a reported Iraqi raid on Kharg Island, Iran's main oil terminal, in which Iran said three Iraqi planes were shot down. Iraq denied losing any aircraft and did not directly confirm the raid.

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The speaker said that, at midday Monday, he had counted 195 Democratic votes and 21 Republican votes against spending an additional \$1.5 billion to produce a second group of 21 MX missiles.

He said he thought he "had it won." With two vacancies in the 435-member House, the 216 votes Mr. O'Neill had counted would be only one short of a majority with all members voting.

But on Tuesday, after intense lobbying by Mr. Reagan and his

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Algeria	4,000 Drs.	Iceland	1,575 Drs.	Norway	7,500 Nkr.
Austria	20,5	Ireland	1,300 Lrs.	Chile	30,000 Reis
Bahrain	0.001 Drs.	Italy	4,500 Lrs.	China	100,000 Cny.
Belgium	45 Lfrs.	Jordan	4,500 Dls.	Portugal	4,500 Drs.
Canada	C\$1.25	Korea	500 Frs.	Iran	70 P.
Cyprus	CY 0.75	Liberia	500 Frs.	Spain	110 L.
Czechoslovakia	8,000 Kcs.	Lithuania	1,500 Lrs.	United Kingdom	100,000 L.
Denmark	1,000 Kr.	Lybia	1,000 Dls.	U.S.A.	100,000 D.
Egypt	1,000 E.P.	Malta	1,000 L.	U.S.S.R.	220 S.R.
Finland	400 F.	Mauritania	45 Lfrs.	Turkey	1,400 Drs.
France	400 F.	Mexico	100 Drs.	Venezuela	5,500 Drs.
Germany	2,200 DM.	Morocco	35 Cent.	Yugoslavia	100,000 D.
Greece	50 Drs.	Netherlands	2,750 F.	Zambia	100,000 N.
Iraq	115 Drs.	Nigeria	175 N.	Yugoslavia	170 D.

ESTABLISHED 1887



Prominent South African church leaders leading a march in Cape Town Tuesday. From left to right, Abel Hendriks, Allan Boesak and Beyers Naude. They were later arrested.

## Church Leaders Held

### In South Africa Protest

Reuters

CAPE TOWN — Police arrested 239 demonstrators who marched on Parliament in a protest Tuesday against the killing of 19 blacks last Thursday in eastern Cape Province.

Also held were other churchmen and Sheena Duncan, president of the Black Sash civil rights group, the South African Press Association reported. Police gave no names of those arrested.

The minister of law and order, Louis Le Grange, meanwhile, visited the black townships around Uitenhage where unrest has resulted in 10 additional deaths since Thursday's shooting. He said that the unrest "is not a crisis situation but it is very serious and it is getting the full attention of the government."

Those detained included three prominent church leaders, the Reverend Allan Boesak, the Reverend Beyers Naude and the Reverend Abel Hendriks, police and witnesses said. Reporters saw the demonstrators kneel on the ground and sing hymns and protest songs when confronted by police.

Mr. Boesak, who is of mixed race, is president of the World Alliance of Reformed Churches and a founder of the United Democratic Front, a coalition of organizations opposed to South Africa's race segregation policy known as apartheid. Mr. Naude, also a white, is general secretary of the South African Council of Churches. Mr. Hendriks, also a white, is a former leader of the Methodist Church.

Police said that those arrested were being held on charges of attending an illegal gathering under the Internal Security Act, which forbids most outdoor demonstrations, and would appear in court Wednesday.

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# Soviet Aide Cites 'Correctness' of Hungarian Policies

The Associated Press

BUDAPEST — Grigori V. Romanov, a member of the Soviet Politburo, acknowledged Tuesday the "correctness" of Hungarian policies and indicated that the Kremlin sought some economic reforms similar to those of Moscow's most liberal European ally.

Mr. Romanov, addressing Hungary's 13th Communist Party Congress, repeatedly emphasized the economic unity of the Soviet Union and its allies. But he spoke favorably of Hungarian developments that have made this country a forerunner of economic change in the Soviet bloc.

"Hungary has built a new world in close unity with the Soviet Union," he said. "All that has been accomplished proves the correctness of our chosen road."

The Soviet leader, Mikhail S. Gorbachev, reportedly favors cautious reforms of the Soviet economy. Mr. Romanov's comments here appeared to mesh with Mr. Gorbachev's image as an economic pragmatist.

Speaking of Soviet economic "tasks ahead," Mr. Romanov said that emphasis must be given to:

- Further modernization of the economic mechanism;
- The broadening of the autonomy and responsibility of companies;
- The increasingly broad participation of workers in the management of production and the more consistent application of the principles of remuneration according to performance.

In Hungary, state-run industries have a great degree of autonomy and increasingly operate on profitability. There are also growing attempts to tie wages to performance.

Andrei A. Gromyko, left, with Mikhail S. Gorbachev. The Associated Press

Several Hungarian analysts pointed to the similarity of Mr. Romanov's remarks and actual policies here. One of them said that Mr. Romanov's comments amounted to a "ringing endorsement" of Hungarian economic reforms similar to those of Moscow's most liberal European ally.

Informed Hungarian sources also attached importance to Mr. Romanov's comments on relations among Soviet bloc Communist parties.

"There is no room for the imposition of one's will on the other, for superiority and inferiority," he said.

**Warning on Ties to West**

Mr. Romanov warned Moscow's allies that their links with the West must be limited, Reuters reported from Budapest.

In his speech, he said that trade with the West must not allow what he called imperialist forces to gain political leverage over Communist states whose interests were best served by cooperating with each other.

The national interests of Socialist countries can be implemented in no other way than by strengthening the whole community," he said.

## UN Agency Urges Staff to Quit Lebanon

Reuters

VIENNA — The UN agency for Palestinian refugees said Tuesday that it is telling its expatriate staff in Lebanon to leave the country for their own safety following a number of kidnappings.

A spokesman for the UN Relief and Works Agency, or UNRWA, said in Vienna that five international staffers were pulled out in the past few days, leaving eight behind.

Those remaining, including the director for Lebanon, John Deffares, a Briton, were also being encouraged to leave in light of Monday's kidnapping near Beirut of Alec Collett, a British journalist working for the agency. A French official, Gilles Sydney Peyrolles, was seized Monday in Tripoli.

UNRWA provides relief, education and health services for two million Palestinian refugees in the Middle East. It employs a staff of 2,100 in Lebanon, of which 99 percent are local.

Mr. Collett, 63, an UNRWA information consultant, was taken from his car while going from Sidon to Beirut.

The staff of the Save The Children Fund, working with UNRWA in Lebanon, also left recently for safety reasons.

### Militia Buffer Zone

The military command has approved a plan to separate militiamen who have battled across the boundary separating Christian and Moslem sectors of Beirut in the worst fighting in eight months, Beirut radio said Tuesday according to The Associated Press.

Beirut radio said the new security plan involves the creation of a militia-free buffer zone along the Green Line that separates Beirut into a Christian eastern sector and a mostly Moslem western sector.

A truce by the main Christian militia of President Amin Gemayel's Phalange Party has prompted the fighting in Sidon and Beirut. The Lebanese Forces militia opposes what it calls Mr. Gemayel's Syria-oriented policies.

Army units that include both Moslems and Christians will be deployed in the separation zone to supervise the dismantling of the bunkers and barricades that recently reappeared near the Green Line, the radio said.

## The Global Newspaper.

## Elite Units Allowed on Both Sides

(Continued from Page 1)

by the four powers despite the creation since the war of two sovereign German states. The governments in Bonn and East Berlin have no official ties with the four-power missions which are accredited only to each other.

The U.S.-Soviet accord, signed in 1947, and others signed by the Soviet Union with Britain and France, gives each side an outpost and travel rights in the other side's occupation zones in Germany and the right to accredit 14 officers and enlisted men to their missions. The three Western missions are in Potsdam, in East Germany, a few miles southwest of Berlin. The Russians have missions in Frankfurt, Baden-Baden and in the north.

The U.S. mission maintains a little stucco villa in Potsdam, although daily patrols usually originate from West Berlin. East German border guards allow the American liaison officers free access between East and West Berlin across the Glienicke Bridge. The antiquated span, where Francis Gary Powers, the famed pilot of a downed U-2 reconnaissance plane, was traded in 1962 for the Soviet spy Rudolf Abel, is kept free of all other traffic.

British, French and American liaison officers generally conduct daily patrols, driving all over East Germany in marked military jeeps seeking to glean insights into the nature and location of troops, missiles and armor. In West German territory, their Soviet counterparts are permitted to do the same. Only designated military zones are considered off-limits to the roving officers.

The reconnaissance sorties, carried out by two- to four-man teams, are closely monitored by Soviet Bloc authorities to thwart snooping in restricted military areas. In the past, East German trucks have been known to bump or ram Western military jeeps or fire warning shots toward them if they came too close to sensitive installations.

We do not expect the incident in East Germany to affect the talks," a U.S. delegation spokesman said.

Major Arthur D. Nicholson, 37, was shot and killed Sunday by a Soviet guard. Moscow charged that he was spying inside a restricted military area. Washington denied the allegation.

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## U.S. Pollution Survey

(Continued from Page 1)

missed that one," he said, referring to methyl isocyanate.

The chemical industry Monday released its own plan to provide more information to communities about the hazardous substances produced at nearby chemical plants. At a news conference in Washington, the Chemical Manufacturers Association said data sheets on the toxic substances would be provided on request, as part of an effort to develop coordinated emergency plans to deal with accidents.

"The chemical industry has gone through a lot of soul-searching since Bhopal," said Edwin C. Holmer, the association's board chairman and the president of the Exxon Chemical Co. He added that new industry organizations would assist in training local workers for chemical emergencies. The new initiatives, he said, will be instituted voluntarily "regardless of any legislative action."

Chemical industry officials agreed Monday that a national in-

ventory would be useful if it led to uniform standards. The EPA has national air pollution standards for only five toxic substances: asbestos, benzene, vinyl chloride, mercury and beryllium.

Standards for dozens of other substances are set by states according to what each area thinks is safe, so the limits vary widely, according to S. William Becker, executive director of Association of Local Air Pollution Control Officials, in Washington.

The categories chosen for the survey included chemicals that are considered cancer agents, suspected cancer agents or substances considered hazardous by inhalation, ingestion or skin contact.

Among them are methylene chloride, chloroform, chlorine, acrylonitrile, carbon tetrachloride, ethylene oxide, trichloroethylene, benzene, vinyl chloride, hydrogen chloride and xylenes. Substantial releases — sometimes in the hundreds of tons a year — of those chemicals were disclosed by the chemical companies.

considering an interim application of the proposed space-based missile defense system to protect European allies against Soviet short-range tactical nuclear weapons, a senior U.S. defense official said Monday night.

In past efforts to enlist NATO support for a space-based nuclear shield, Mr. Weinberger has emphasized its potential for defending Europe against incoming Soviet intermediate-range nuclear missiles, specifically triple-warhead SS-20s.

The latest suggestion is to deploy the same kind of defense against tactical nuclear missiles, which have smaller payloads and shorter ranges than the SS-20. Although the official did not discuss it, a ground-based fast-firing gun is one idea under study by the Pentagon.

The Soviet Union has criticized the Strategic Defense Initiative, saying it increases the risk of nuclear war.

### Project May Be Expanded

Michael Weiskopf of The Washington Post reported from Luxembourg.

The Reagan administration is

## Soviet Bugged Typewriters at U.S. Embassy In Moscow

By David Hoffman

Washington Post Service

WASHINGTON — The U.S. Embassy in Moscow was bugged by the Soviet Union for a year and possibly longer, with sealing devices capable of picking up what was written on embassy typewriters, administration officials have confirmed.

CBS News said the eavesdropping was a "sophisticated electronic spy operation which gave Soviet leaders an inside look at what U.S. diplomats were doing and planning."

The television network said Soviet agents installed tiny sensing devices in about a dozen embassy typewriters. "The devices picked up the contents of documents typed by embassy secretaries and transmitted them to antennas hidden in the embassy walls," he reported.

An administration official confirmed Monday that the embassy had been "penetrated" by "lifting things off typewriters. No doubt about it." The official said the eavesdropping was discovered some time ago and had been stopped.

CBS reported that the antennas in the embassy walls "layed the signals to a listening post outside the embassy."

"The typewriters were in use from 1982 until the operation was uncovered in 1984," the network said.

It also reported that intelligence experts believe that Moscow had carried out similar eavesdropping earlier. It said an antenna was discovered during the cleanup of a 1978 fire at the embassy.

CBS said that U.S. officials do not know how the devices were installed and that they were found after a warning from a friendly government whose embassy had been similarly bugged.

## WORLD BRIEFS

### Vietnam to Free U.S. Businessman

UNITED NATIONS (UPI) — Vietnam will release an American businessman, William M. Mathers, who was seized on his yacht as last July, a United Nations spokesman, Francois Giulini, said Tuesday.

The acting Vietnamese ambassador, Le Kim Chung, informed United Nations General Secretary Javier Perez de Cuellar Monday that Hanoi would release Mr. Mathers between March 29 and April 9, Mr. Giulini said.

Mr. Mathers, who was living in Singapore, was sailing aboard

in Vietnamese waters when the vessel was seized and Vietnamese

authorities charged he had no permission to enter their territorial

limits. He was released but his crew was held at Can Tho in Vietnam. Mr. Giulini said.

Taiwan Intelligence Chief Is Indicted

TAIPEI (AFP) — The head of Taiwan's military intelligence was indicted Tuesday as an accomplice in the murder in California Oct. 15 of Henry Liu, a Chinese-American author and a critic of Nationalist Chinese regime.

Vice-Admiral Wong Hsi-ling, 58, was charged with being "principal offender, a full accomplice" in the murder of Mr. Liu, who shot outside his home in Daly City, near San Francisco. Admiral's deputy in the intelligence bureau, Major-General Hu Yi-ming, a department head, Colonel Chen Ho-men, were also named in the indictment.

The indictment, drawn up by military prosecutors, charged although Admiral Wong denied ordering Mr. Liu's death, he "unspecified intent in connection with the collaboration offense of aiding and abetting" in the shooting with Chen Chi-li, 41, the alleged leader of the underworld syndicate. Chen and Wu Tun, 35, trial for killing Mr. Liu. A third suspect, Tung Kuei-sen, is being absentia.

### Reagan Shifts Tone on Defense Cut

WASHINGTON (WP) — President Ronald Reagan signs a measure to reduce defense spending next year, as long as it does not compromise national security.

The president told a group of reporters Monday that he was "very in line" with the comments of the White House chief of staff, Do Regan, on Sunday opening the way to a possible compromise with Republicans on a lower defense budget than the president has signed.

The comments reflected a shift of tone, if not necessarily of substance, in the action taken in the defense budget.

He stressed that "vital weapons systems, either conventional or strategic, must not be touched" by congressional budget-cutters. The Budget Committee chairman, Peter V. Domenici, a Republican from Mexico, said he welcomed the statements, adding: "I think they i some willingness to negotiate."

### Justices Bar Dismissal of Homosexuals

WASHINGTON (AP) — An evenly divided Supreme Court upheld public school boards Tuesday from firing teachers who encourage or promote homosexuality.

The justices, by a 4-4 vote, upheld a federal appeals court ruling that Oklahoma law allowing such firings violated teachers' free-speech rights.

A 4-to-4 vote automatically upheld the lower court ruling, but until the Supreme Court's decisions, it does not set any national precedent because it is possible that in some future case on the same issue, justices will participate.

Justice Lewis F. Powell, who missed hearing oral arguments in the Oklahoma case in January because he was recuperating from surgery, did not participate in the Oklahoma case. The Oklahoma law states that teachers could be fired or otherwise denied work for engaging in homosexual conduct or activity.

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## ARTS / LEISURE

Sandie  
Are Re  
Of Run  
Reason

by Hebe Dorsey  
*International Herald Tribune*

**S — Valentino and Ungaro delivered highly polished collections that glorify the sensual and are shining examples of the refined couture spirit spreading to the once-difficult-to-wear. Opulent fabrics.**

**ARIS FASHION**

lavish embroideries and accessories gave these coats a distinct carriage-trade

line's clothes, in tune with couture collection, were and high-waisted, with a bit too much shoulder; are and strong in a season it looks has considerably. Long sweaters hugging taffeta made the body even

ing coats were dashing and with plaids tweeds and checks. The bright colors — purple — this season's — and the peppy Valentino newest coats had brightly silk linings matching the skirts worn beneath them. In color played a strong this collection. Valentino's symphony of grays, and some pure and perfect white dresses, draped à la Grès.

The color statement at Ungaro's was firm and came early: The trio that opened the show — hot pink, green and purple — was followed by another strongly colored group of outfits that looked like they belonged on so many toy soldiers. At were seen in Valentino's and Un-

leather, which he introduced a few seasons ago, turned up on deluxe sweaters. There were tweed blousons with fronts of Persian lamb.

Bright quilting was applied to lapels or to whole outfitts. Embroidered hats were echoed in embroidered belts and even shoes, whose heads were set with rhinestones and roses.

Although Valentino showed quite a few pants he never lost track of short, sexy dresses with plenty of leg showing.

Luxury also ran high at Ungaro's, where silks in paisley and floral patterns were worn together and silk shirts under suits were elaborately draped. Some of the shirts had sweetheart necklines. Others had panels swing over the shoulder like a sash; still others were shirred around the hips.

The draped dress is still important at Ungaro's, with flathering ones gathered over the left hip like a sarong and firmly held with a wide belt.

Ungaro piled on the velvet, with striking black-velvet lapels over tweed or satin jackets, and black-velvet braid outlining brightly colored coats, giving them an ultra-sharp edge. Riccoro dresses had satin tops and black-velvet skirts. His pane velvet pants came in brilliant hues, including hot pink and purple.

The color statement at Ungaro's was firm and came early: The trio that opened the show — hot pink, green and purple — was followed by another strongly colored group of outfits that looked like they belonged on so many toy soldiers. At were seen in Valentino's and Un-

garo's collections as well as in Céline Montaña's, said all this luxury was new to ready-to-wear. "These are very expensive fabrics, which used to be seen only in couture," he said.

The final deluxe accents were given by Jean Barthet's hats, in both collections, ranging from fox-edged cloches to Persian-lamb toques, and, for Valentino, René

Caovilla's shoes, which were as exquisitely worked as jewelry. Caovilla — an Italian artisan, who has been called the Fabergé of shoes — and Valentino have revived the jeweled evening shoe. The ones Caovilla made for Valentino had crystal-faced heels, black-jet balls over red lace, and black-silk bows over criss-crossed strings of black jet beads.

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crystal-faced heels, black-jet balls

over red lace, and black-silk bows

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jet beads.

## 2-Part Domesday Book to Become 5 Volumes for Its 900th Anniversary

By Jo Thomas  
*New York Times Service*

**L**ONDON — The Domesday Book, the great survey of England commissioned by William the Conqueror in 1085, is being taken apart with a scalpel, page by page, at the Public Record Office, to be divided into five volumes and rebound for its 900th anniversary next year.

The original manuscript, more than 800 parchment sheets, each cut from a whole sheepskin, was divided at least 700 years ago into two volumes, Great Domesday and Little Domesday, the latter covering Essex, Sussex and Norfolk in great detail. It remained this form through at least five rebindings, the most recent in 1952. The bindings are so thick and inflexible that "there is a risk of the membranes being damaged when the pages are turned," said Helen Ford, head of the Public Record Office's conservation department. So four inches of glue are coming off, and the two bulky volumes will become five slim ones.

"There has not been the consternation from scholars that might have been expected," Ford said. "All the academics we consulted were rather enthusiastic. We want to ensure that Domesday is fit to last another 900 years."

Domesday (pronounced Dooms-day), a popular name derived later from its status as a record from which there was no appeal, is one of the most famous books in the world, but visitors to the Public Record Office's museum in Chancery Lane usually have only a vague idea what it contains, officials there say.

Inscribed in brown writing on its gray pages is a record, in abbreviated Latin, of what William of Normandy and everyone else in the

country owned, from land to beehives, where it was and what it was worth, starting from 1066. Of the 13,000 place names in the book, all but two percent can be identified on modern maps. There are no surveys of London or of certain other towns.

Included among arid details of real-estate assessment and valuation are such gems as how many live cells each mill owner owed to the crown and the existence in those days of one female jester, or joculatorix.

There are sporadic entries on political or social history, such as a note made by scribes at Chester: "If a widow has intercourse with anyone unlawfully, she is fined 20 shillings. A girl pays 10 shillings for such an offense."

It is expected to take a staff of three specialists 18 months to clean, repair and rebind the Domesday Book. Each page will be photographed for a facsimile edition to be published in 1986 and sold for £2,000 (now about \$2,300).

Starting in early April 1986, the rebound Domesday Book will go on exhibit at the Chancery Lane museum. The spring and summer exhibition will re-create aspects of

everyday life in Norman England. Domesday Book anniversary celebrations, beginning in October, will include jousting at the Tower of London and village festivals.

In conjunction with the anniversary, the British Broadcasting Corp. is producing an electronic equivalent of the Domesday Book:

enough information about the early 1080s to fill two sets of the Encyclopaedia Britannica.

**Data Being Computerized**

Computers at Santa Barbara are being fed Domesday's millions of statistics. United Press International reported from London. This will produce a full index as well as computer compilations of, for example, the number of slaves, fisheries and vineyards in 1086 England.

**Maimonides Honored**

*United Press International*

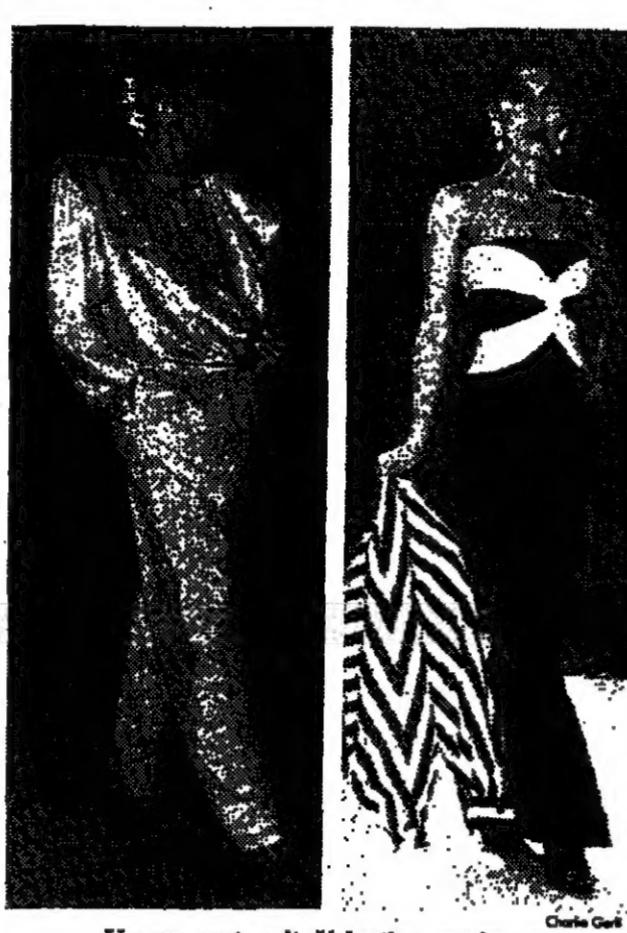
**C**ORDOBA, Spain — Cordoba is holding a week of round tables, conferences and recitals of Sephardic music to honor the Spanish Hebrew philosopher Moses Maimonides, born in this Andalusian city 850 years ago.

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Charlie Gark (2)  
Ungaro pants suit; Valentino evening gown.

## 'Possessed': Richly Inventive Cabaret

by Sheridan Morley  
*International Herald Tribune*

**D**ON — A remarkable co-production by theaters in London and Milan, together with Four television, has made the performance (now at the Aldwych in London) of Dostoyevsky's "The Possessed," the at the director, Yuri Lyubimov, forbidden to do shortly leaving his Taganka theater in the Soviet Union. It has been seen in Paris and with a British cast whose

**JONESBURY**

**C**H 27 — I NOTICE THAT I SEEM TO HAVE DEVELOPED A SAD RITUAL WITH FREY."

**YESTERDAY AFTERNOON, JOHN JEFFREY UP FROM CARE, THEY SO TO PARK PLAYGROUND THEN COME HOME.**

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**SEEMS TO WORK. FREY'S TURNING OUT GREAT.**

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# INTERNATIONAL HERALD TRIBUNE

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## U.S. Help for Cambodia?

A great terror overtook Cambodia when the United States departed in 1975. The Khmer Rouge killed a million or two of their fellow citizens, and subsequently the Vietnamese invaded. Resistance goes on. The United States has had no taste for any sort of military involvement in Indochina in the last 10 years, but the question now arises whether Washington should not go beyond political support and extend modest aid, through the Thais, to the non-Communist Cambodian resistance — to Son Sann's Khmer People's National Liberation Front, not to the Communist Khmer Rouge. That is the aim of a \$5-million aid proposal, launched in the Asian subcommittee of the House Foreign Affairs Committee by the subcommittee's chairman, Stephen Solarz, a Democrat of New York.

Aid to Cambodia? Aid that could take a military form? A new U.S. involvement in Indochina? The thought is enough to send a surge of alarm through the large community of Americans who have come to identify Indochina as the ultimate American disaster area in this century. That the contemplated aid is meant to be small and indirect, with no physical U.S. participation on the ground, is sure to be taken by many people as a sign either that it will inevitably grow and slip out of control. The proposal arises during the 10th-anniversary review of the American defeat, which will no doubt intensify the warnings against it.

It is not time to take a more measured view? The so-called Vietnam syndrome, operative for a decade now, tends to make Americans shrink from uncertain involvements in which force may have to be brought to bear. We have never felt there was value in demonstrating that America was no longer hobbled by excessive regard for this "lesson" of the past. On the contrary, the leading Vietnam lesson — the requirement for the utmost care and serious-

— THE WASHINGTON POST.

## Selling Government Debt

Senators Daniel Patrick Moynihan and Frank R. Lautenberg are proposing a novel way to reduce the U.S. federal deficit. They want the government to sell its enormous portfolio of loans to private investors, realizing by Congressional Budget Office estimate, \$134 billion over the next three years.

The plan would indeed reduce the budget deficit, but the direct benefits would be more apparent than real. For the sale of government property, in contrast to a reduction in spending on Social Security or defense, would have no effect on interest rates or private investment. Still, the senators may be on to something. By selling off government loans, the real cost of the subsidies hidden in loan programs would become clearer to the taxpayers.

In periods of economic boom, government deficits damage the economy by absorbing financial resources that would otherwise be invested productively by individuals and corporations. This year Washington will cover its obligations by borrowing an extra \$200 billion with bonds to the public. As a result, some of the private borrowers lined up for credit behind Uncle Sam will fail to get it. Others will have to borrow abroad, creating an obligation to foreigners that must eventually be repaid with lower living standards for Americans.

Now consider the effect of selling, say, \$1 billion owed by the Boeing Corp. to the government's Export-Import Bank. The proceeds from the sale would show on the government's books as revenue, reducing the federal deficit by \$1 billion. That in turn would reduce the government's need to borrow by the same

— THE NEW YORK TIMES.

## Other Opinion

### Gorbachev: A True Reformer?

Nobody knows whether the new man in the Kremlin will have enough power to give practical effect to the reforms he is said to favor, or indeed whether his reputation in that respect is really deserved. But he talks in a way that accords with modern realities, by contrast to the clichés churned out by his predecessors, and he seems more inclined to face economic realities than the old guard he replaces.

— *Neue Zürcher Zeitung* (Zurich).

### Soviet Bullets, American Blood

Soviet use of deadly force in the killing of a U.S. military liaison officer in East Germany is an outrage even if Moscow's version of the tragedy is taken at face value. We are left to speculate once again, as with the downed South Korean airliner, whether Soviet brutality is the result of overly rigid standing orders or provocations either by the Kremlin or by

— *The Baltimore Sun*.

This was the first time in 40 years of Cold War that a soldier from one superpower has fallen under the bullets of a soldier from the other superpower in a direct confrontation. So, in the first instance, this is the exception that confirms the rule of coexistence.

— *Le Monde* (Paris).

### FROM OUR MARCH 27 PAGES, 75 AND 50 YEARS AGO

#### 1910: Keeping Peace in the Balkans

**ST. PETERSBURG** — The reception in Russia given to the King of Serbia is a proof of the closeness of the traditional relations of the two States. In the course of the interviews between the Russian and Serbian Ministers of Foreign Affairs, various questions interesting to the two Governments were examined, and it was settled that both sides attached essential importance to the maintenance of peace in the Balkans. In the opinion of the Serbian Government, the kingdom will find a precious support for its free and peaceful development in its good relations with Turkey. The Serbian Government will at the same time use every effort to maintain similar relations with its neighbor, Bulgaria. The Russian Government sympathizes sincerely with Serbia, and will give her its active moral support in this regard.

#### 1935: Roosevelt's Unpopular Reforms

**WASHINGTON** — The observation is general that the second anniversary of F.D. Roosevelt's occupancy of the White House finds him in difficulty. "Reform" is too mild a word to describe the changes in American ways of life. It is clear that some of these innovations have gone badly, and that the sum of them, when pressed down on the familiar American pattern of society, causes the whole to be something which is not a workable form of society and government, in America or anywhere else. It would not be accurate to say that the National Recovery Administration is universally regarded as a mistake or a failure. But it is so regarded by so large a number of Democrats, and by so many of the President's most sincere well-wishers, as to create a reason for the President to review his own attitude about it.

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## The Fight for the Soviet Economy

By Stephen F. Cohen

**P**RINCETON, New Jersey — A major struggle over Soviet domestic policy will be greatly intensified by the choice of Mikhail Gorbachev, a reform-minded leader, to succeed Konstantin Chernenko as general secretary. The outcome will be felt far beyond Moscow.

With the conspicuous exception of the Soviet Union, market-oriented reforms have been transforming the economic nature of communism from East Berlin to Beijing. Haltingly in Eastern Europe and rapidly in China, the Stalinist model of almost total state control is giving way to more diversified and decentralized economies in which small private enterprises play a growing role. If the Soviet Union remains apart from this, eventually it will again be surrounded by social systems unlike its own.

That prospect is ironic, because the first communist experiment in mixed economics occurred in the Soviet Union 60 years ago. In 1925, Soviet leaders legislated policies almost identical to those now under way in China, encouraging peasant farmers to "enrich" themselves, allowing artisans and merchants to flourish, and subjecting state enterprises to market competition. Known as the New Economic Policy, or NEP, the experiment was quickly abolished by Stalin in 1929 in favor of the monolithic state system that became his institutional legacy.

It is not as if reformers in the deeply conservative Soviet establishment have not been trying to escape Stalin's legacy. For more than 20 years they have advocated a new version of NEP, including a substantial role for private enterprise in providing consumer goods and services, and a partial decentralization of the state sector to free local managers from irrational central directives.

Despite having been politically defeated in the 1960s and all but silenced in the 1970s, reformers have staged a comeback. Among other indications, they have regained access to official intellectual journals whose pages express behind-the-scenes political disputes more candidly than does the daily press. The result has been an outburst of controversy.

Last April, for example, the journal *Problems of History* featured two extraordinary calls for reform. One was an unprecedented editorial lambasting the party's policies of 1953-64, the period of Nikita Khrushchev's far-reaching reforms that conservative officials still smotherize. The other was an article on Lenin's introduction of NEP. In it, Evgeny Arambashev, an advocate of market communism, argued that political crises in communist countries, from Soviet Russia in 1921 to Poland today, are not caused by internal and foreign enemies, as conservatives allege, but by bureaucratized economic systems that fail to meet consumer needs.

Mr. Arambashev's message was twofold and urgent: The unreformed Soviet economy could generate a Poland-like crisis; and a new NEP is the only solution.

Conservative reaction was predictably intolerant. Kommunist, the journal of the party apparatus, charged *Problems of History* and *Problems of Philosophy*, which had published similarly provocative articles, with "violating" Marxism-Leninism. Late last year, both admitted "errors" but hardly in a way that suggested contrition. And in January, the philosophy journal retorted by editorializing against "dogmatic ideas," included protective quotations from Mr. Gorbachev.

The journal war signifies that the question of fundamental economic reform has been reopened at high levels. Given the country's serious problems of productivity and shortages, and its recent leadership changes, that development is not surprising. But powerful conservative forces remain implacably opposed to

such bureaucrats and slothful workers. Marketization is also a Soviet code word for less political control of society. If the sphere of private enterprise grows, the realm of the state will diminish. Central authorities will have to deal with autonomous producers through persuasive market relations, which are a buffer against capricious bureaucratic power. The result will not be democracy but a certain liberalization that would spread, given the need for free communication, to censorship and other areas of political control.

Above all, conservatives reject market-oriented reforms, even minor ones such as authorizing private taxis or family restaurants. Not are they willing to unfer the tiny household plots on collective farms, which on less than 5 percent of the land yield 25 percent to 30 percent of all agricultural output. With a horse, a peasant farmer could produce even more, but conservatives still defend Stalin's ban on private ownership of horses.

Understanding these frightening ramifications, Soviet conservatives have always maintained that marketization may be safe in small communist countries such as Hungary, but not in large ones. The dramatic reforms in China, an even more populous country, will not easily change their minds. Indeed, they have imposed a virtual ban on candid press accounts of the Chinese experiment.

Nonetheless, in the policy struggles that always follow a succession, reformers have their best chance in years to sell the market to Soviet leaders. They insist, as they did in the '60s, "better late than never."

The writer is a professor of politics at Princeton University and a frequent commentator on Soviet affairs.



*Their China has gone capitalist. Got anything to say?*

## Capitalism: Dynamic, Destructive, Doing Just Fine

By Charles Krauthammer

**W**ASHINGTON — Capitalism is on a roll. Free-market East Asia is booming. America, under an administration of Coolidgean inclinations (Coolidge was the ultimate hands-off president: When his death was announced, Dorothy Parker asked, "How could they tell?"), is enjoying what the Europeans call the American miracle. American liberals are talking growth and incentives. French Socialists have given up redistributionist dreams.

And now Chinese Communists have joined the cult of the market. In fact, they have supplied the most re-

bate on the farm crisis. David Stockman would like Americans to believe that the culprits are a bunch of speculators in overalls who bet the farm in the '70s on rising land prices and lost Hollywood pretends that the problem is a bunch of cold-hearted bankers and bureaucrats who, for the sake of a healthy bottom line, are prepared to torment even Jessica Lange.

The real cause makes neither a good political target nor an attractive movie foil. Forty-five years ago, a quarter of Americans lived on farms. Now 90 percent of them are gone — and the country is overproducing food. What made that miracle possible, and is now driving the remaining few off the land, is technology that permits vast economies of scale. When a farm family has to borrow half a million dollars for machinery to keep up with larger operations, it becomes clear that farming on this scale is simply obsolete.

With new crises come new villains. The newest victims of robust capitalism are half a million savings-and-loans depositors. How robust? One bank, the biggest of Ohio's 71 privately insured S&Ls, did chancy business with a fraudulent company, lost everything, and thus bankrupted

the private insurance that was protecting the other 70. The S&Ls were shut, and depositors feared for several days that they would never see their savings again.

It seems like a case study in the perils of deregulation. Remove the cap on interest rates and all institutions, even the most staid S&Ls, will have to compete frantically to pay depositors higher rates. Some will go into more speculative investments. And some will go under. The Wall Street Journal scoffs at the suggestion that the problem is caused by deregulation. The cause is simple, says the Journal: a foolish bank, a bad deal and a couple of wheeler-dealers.

But surely the larger point is that capitalism welcomes, indeed invites, foolish bankers and wheeler-dealers. It is the first system in history to lift the mass of men out of poverty. But to keep the engine running, it randomly visits misery on selected groups. Instead of searching for villains, that of any other face on the currency. The way to protect the system, the banking system in particular, from that mighty engine, to cordon off a healthy bottom line, is to use some of its vast surplus to cushion the fall of its victims.

The writer, a senior editor of *New Republic*, contributed this column to *The Washington Post*.

## America's Vanishing Act in the Mideast

By William B. Quandt

**W**ASHINGTON — To listen to President Reagan in his most recent press conference, one would hardly know that there had ever been a Middle East peace initiative with his name on it, to say nothing of the Camp David accords: "But our proposal in the very beginning was that we did not want to participate in the negotiations. It wouldn't be any of our business to do so."

In 1982 he drew another picture of the U.S. role in the Middle East peace effort: "Our involvement ... is not a matter of preference, it is a moral imperative. The strategic importance of the region is well known.... I recognize that the United States has a special responsibility. No other nation is in a position to deal with the key parties to the conflict on the basis of trust and reliability."

Later, in private talks with King Hussein of Jordan, the president went far in committing the United States to an active role in the search for peace. If Jordan joined the negotiations, he said, the United States would undertake to get the Israelis to cease settlement activity in the West Bank and Gaza. He also promised that the United States would try to shorten the transition period from the five years envisioned in the Camp David accords and support the idea of immediate talks on the final status of the occupied territories.

If Mr. Reagan has now forgotten all this, Hussein has not — and yet people ask why he and other Arabs are hesitant to join negotiations. If the president does not feel bound by his own words, what about the Camp David accords and the Egyptian-Israeli peace treaty? During those historic negotiations, President Jimmy Carter committed the United States to the role of "full partner" in the peace process — a point accepted by both Anwar Sadat and Menachem Begin in a letter they sent to Mr. Carter confirming their understanding "... that the United States government will participate fully in all stages of negotiations."

What can account for this clear change of attitude? Perhaps the tragedy of Lebanon and the fate of misguided policy they have convinced Mr. Reagan that the area is best avoided. And perhaps the United States can afford to turn its back on Lebanon. But what about the rest of the Middle East? Is America providing more than \$5 billion annually to the region, and pouring in vast quantities of arms without some sense that it has interests there?

True, oil prices are down and the threat to oil supplies is momentarily limited. And true, the Russians are not making great gains at U.S. expense. Nor does the danger of an Israel-Syrian war appear imminent.

There are sound reasons for America to adopt a "go-slow" posture toward Middle East peace. Timing is of

the essence in diplomacy, and less activism can be worse than activity. A good case can be made that the Israelis need more time: they can be expected to enter talks on the West Bank and Prime Minister Shimon Peres has hands full with Lebanon and can scarcely afford a showdown with his Likud coalition partners on the Palestinian question.

On the Arab side, too, there are good arguments for caution. St. deeply opposed to the efforts by Egypt and the Palestine Liberation Organization to get peace negotiations started. No one seems to know how best to deal with the ans. And Egypt, Jordan and the ent are still working on somewhat ent wavelengths.

Still, there is the germ of a consensus among them, and it involves initial dialogue between a Jordan-Palestinian delegation and the United States. President Reagan is included, provided the PLO is not there. But there is no enthusiasm for the idea in Washington.

While the parties to the conflict will have to deal directly with another at some point, it is little than escapism for Mr. Reagan to direct negotiations with no participation. Successful negotiations between Israel and the PLO have always combined some of mediation and direct contact. Reagan at that point the Israeli and Arab, with a bit of help from him, will sit down and make peace. But without a good bit of mud-bagging and arguing, and with U.S. inducements, it seems unlikely they will do so.

For Mr. Reagan to hold back longer would not only a move from his own peace initiative, Camp David but also a boost precisely the forces in the region most strongly oppose U.S. interests.

The writer, a senior fellow at Brookings Institution, was a member of the National Security Council 1977 to 1979. He contributed this column to the Los Angeles Times.

## LETTERS TO THE EDITOR

### Taiwan: Not a Police State

Regarding the editorial "Taiwan Strains a Bond" (Feb. 21):

My colleagues and I are shocked as you to know that high-ranking intelligence officers were involved in Henry Liu's murder in a San Francisco suburb last October. But political murders happen in almost every country. They should be condemned. But a single political murder cannot demonstrate that this country is a police state or a "republic only in name." On the contrary, it reveals that the government is no longer omnipotent. A growing plural and democratic country like the Republic of China needs to be encouraged.

William Pfaff, in his column "Asia and Seoul: Working for a Imperfect Future" (Feb. 21), martial law was imposed in 1973 date was Sept. 21, 1972. He says constitution was amended in 1973, martial law was imposed in 1973, constitutional convention to change charter was convened in 1973, before the declaration of martial law. The draft of the new constitution was ratified early in 1973.

Mr. Pfaff refers to the partition of both South Korea and the Philippines as "powerless" and says "actions are thought necessary, even illegal." Such generalizations are insulting to the members of the Philippine parliament, one third of whom are opposition members.

LIU CHIH-KUNG, Institute of International Relations, Taipei.

MARIBEL C. DAR, Office of Media Affairs, Manila.

### Manila Dates and Data

## INSIGHTS



Madeline M. Kunin, the governor of Vermont, outside the capitol building in Montpelier.

## Inlikely Governor Takes the Helm in Stern Yankee State of Vermont

By Kevin Klose  
Washington Post Service

**ONTPELIER**, Vermont — Not since Ethan Allen captured a British fortress without firing a shot 210 years ago has a mountaineer so bested the establishment as Madeline M. Kunin, new governor of the most rock-ribbed and rural U.S. state, more than that she is one of only two governors in the United States. Her

leads like a fictional storyline: an immigrant Jewish woman who is a Democrat gov-

ernor, Yankee Vermont.

Since Mrs. Kunin's widowed mother

and her son and daughter to America in

from Nazi-dominated Europe, the govern-

ment recently, "I felt this sense of op-

portunity that you could do anything."

Her mother felt very strongly about that for

us," she said. "The whole Horatio

Alger myth was alive and well as far as we were

concerned. I think everyone who comes here,

has the immigrant experience brings a

a set of values for life that you carry with

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NYSE Most Actives							
ScoreCo	2002	400	100	50	10	10	-10
IBM	14000	1250	1250	1250	1250	1250	+10
AIA	1200	1200	1200	1200	1200	1200	+10
ITT Co	2000	3400	3400	3400	3400	3400	+10
Bectr	1000	1000	1000	1000	1000	1000	+10
McGraw	7200	640	640	640	640	640	+10
NetData	7070	310	310	310	310	310	+10
EastAir	2072	654	654	654	654	654	+10
USFCO	8824	310	310	310	310	310	+10
FordM	6821	470	470	470	470	470	+10

Dow Jones Averages							
Open	High	Low	Last	Chg.			
Index	1292.51	1292.10	1291.72	-2.22			
Ticks	1047	1047.42	1046.24	+2.24			
UTS	102.54	102.54	102.54	+0.10			
Corpo	201.54	201.38	201.19	+0.15			

NYSE Index							
High	Low	Close	Chg.				
Composite	104.47	104.07	103.92	+0.13			
Industries	114.93	113.92	113.72	+0.11			
Trans.	104.27	104.07	103.92	+0.14			
Utilities	104.34	104.37	104.38	+0.15			
Finance							

NYSE Dailies							
Class	Prev.						
Advanced	514	520					
Declined	503	503					
Total Issues	1998	2000					
New Highs	49	49					
New Lows	12	12					
Volume up	47,320,240	47,112,200					
Volume down							

Odd-Lot Trading in N.Y.							
Buy	Sale	Chg.					
March 25	104,407	104,274	2,233				
March 21	104,405	104,274	2,233				
March 19	104,282	104,257	14,005				
*Included in the sales figures							

Dow Jones Bond Averages							
Close	Chg.						
Bonds	72.70	+0.09					
Utilities	69.65	+0.20					
Industrials	73.73	+0.20					

NYSE Most Actives							
Vol.	High	Low	Last	Chg.			
ScoreCo	2002	400	100	50	-10		
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AIA	1200	1200	1200	1200	+10		
ITT Co	2000	3400	3400	3400</			

# Economic Developments in China

## YEAR OF THE OX – China loosens the Reins and gets down to Business

**T**HIS is the first month in the Chinese Year of the Ox, a good year in the Asian cosmology. Its symbol recalls the slow, steady progress that can be achieved by working easy in harness. All the economic indicators look good for business: China's forex reserves grew from US\$2 billion at the end of 1980 to US\$16.5 billion by mid-1984. It has substantial gold reserves reported to be 12 million ounces, and, a debt-service ratio now that it has Western bankers pounding the pavements in Beijing looking for loan prospects. Though no one can seem to agree on final figures, due to differences in methods of calculation, all sources do agree that 1984 was a banner year for China trade with the West. China has enjoyed bumper harvests for several years, there is no hunger. Finally, to the delight of Western exporters and investors, China needs more and better of just about everything if it is to succeed at modernizing its economy in the lifetime of anyone now alive.

Everyone is flush with the success of reforms since 1979, when Deng Xiaoping took the reins of power in hand. Relative figures show staggering progress: "Living standards of peasants," according to Zhao Weichen, Vice Minister of the State Economic Commission in the January issue of *PRC Quarterly*, "have risen remarkably. In the previous five years (1979-1984) their average per-capita income rose 150%." He notes that agricultural output went up 4.8% annually, and 40 of 100 major products in the government's registry of light and heavy industries were two years ahead of their output goals under the Sixth Five-Year Plan (1981-1985).

Deng Xiaoping and his supporters have taken the position that a guided socialist economy works better, at least for China, than a rigidly controlled one on the Soviet model. The keynote of this new approach is contained in the term, "songbang" which roughly translates to "loosening the reins" – in this case meaning the devolution of decision-making powers from the center of government to responsible field commanders in local governments and business enterprises.

China's leadership has reached a natural terminus: 1985 is the last chance to achieve many incomplete goals of the Sixth Five Year Plan and the time to sow the ground for the Seventh, which begins in 1986.

The factory manager who

must implement systems based on merit and productivity has been yoked to a heroic task: He must make things work. The government wants wages adjusted for the difficulty and importance of the work. Factories can now adjust their

over the period of the seventh plan.

Who are these agents of change? Of the nearly two million managers now employed in the state's financial and commercial sector, fewer than four percent hold university degrees.



Aerial view of Zhuhai city near the Special Economic Zone.

Photo: Xinhua News Agency

own prices within set ranges, they can trade with other provinces and can set up their own joint ventures with foreign partners for export products. They can compete in the bidding among all other local authorities for central state money to underwrite major projects in the next five year plan. Song Ping, the State Planning Minister, told New China News Agency late last year that he had already received requests for funding of 3,000 such local projects

Government spokesmen have been reported as saying that half the leaders of state-run enterprises in China – which means virtually all enterprises – have less than a junior high school education.

In the north, the National Center for Science and Technology at Dalian was recently characterized as the "Harvard Business School of China" by *Newsweek* magazine, courtesy of M.B.A. courses being run by the State University of New York in

Buffalo. The three-year program ends with a final year of study in the United States and has already produced a breed of "best and brightest" managers in high government postings.

In the south, Guangdong's equivalent of a provincial personnel bureau has signed an agreement with the International Institute of Education, a U.S. non-profit university counselling service with offices in Hong Kong and other Asian cities to assist in English-language testing for job placements, counselling for applicants to American universities and the supply of educational equipment. Jay Henderson, Asian director of IIE, claims they have also been asked to provide high-level American financial and economic experts to assist Beijing's central government planners in better understanding of Western business practices.

The problem so far, according to Henderson, is that no one is yet willing to fund such an exercise.

Foreign businessmen at first rejoiced in the hope provincial authorities, with wider discretionary powers would bypass much of the top-heavy Beijing bureaucracy. It has often proved true. For instance, a Citibank introduction to China investment notes that in 1983 alone, 105 new joint equity ventures were established, adding greatly to the 83 that had been established over the previous five years. Foreign investments in these ventures are in excess of US\$200 million and 68 of them are located in the four Special Economic Zones. There were also 200 new co-production projects contracted, valued at US\$180 million.

Successes are offset by stories of businessmen accustomed to computer technology and the niceties of tort law reduced to giving elementary lectures in the concept of "cash flow" in a frantic effort to seal a contract. The hard fact is that direct foreign investment in China has not been large. It has been estimated at about US\$3.3 billion over the last five years with a large percentage of that from Hong Kong – and much of it in pledges of intent that may never materialize.

Neither Chinese government leaders nor foreign businessmen are happy about it,

which is why the 14 open coastal cities and Hainan Island were added to those areas designed to lure investors late last year. Already this year, creation of three special Delta Economic Zones has been announced – those of the Pearl, Yangtze and Minnan Rivers in Guangdong, Jiangsu and south Fujian provinces respectively. That makes 21 official zones, but does not count the special status of certain hinterland cities like Wuhan, Chongqing and Shenyang.

A recent article in the *Beijing Review* quoted an address by Vice-Premier Li Peng at a national port conference in Beijing to the effect that, "China had opened 99 foreign trade ports by the end of last year (1984)." And that, he said, was in addition to all the other zones, ports, cities and deltas already noted. The numerology of China's "open doors" is approaching the complexity of interpreting the future in the *I-Ching* hexagrams.

Many Western businessmen have found more doors mean more margin for misunderstanding and error. There is in effect no single Chinese organization that can, after a certain point, give a flexible trade agreement a clean bill of health. That's a problem new laws now being promulgated are designed to overcome by making it clearer to Chinese managers what they have the authority to actually decide in a joint venture negotiation. Meanwhile, traders must cope with the verities of an atomized decision-making process in a cen-

tralized economy.

China's great successes so far have been to build a huge cash hoard of foreign exchange with its export drive and to open the world's largest untapped consumer market to itself, by letting its own people keep some of their cash and by making things those people want to buy with their new found wealth – especially color televisions, refrigerators, electronic gadgets and stylish clothes.

According to a report on China's investment goals for the upcoming Seventh Five Year Plan (1986-1990) in *China Briefing*, published by the Area Office China of the Hongkong Bank, "Ending

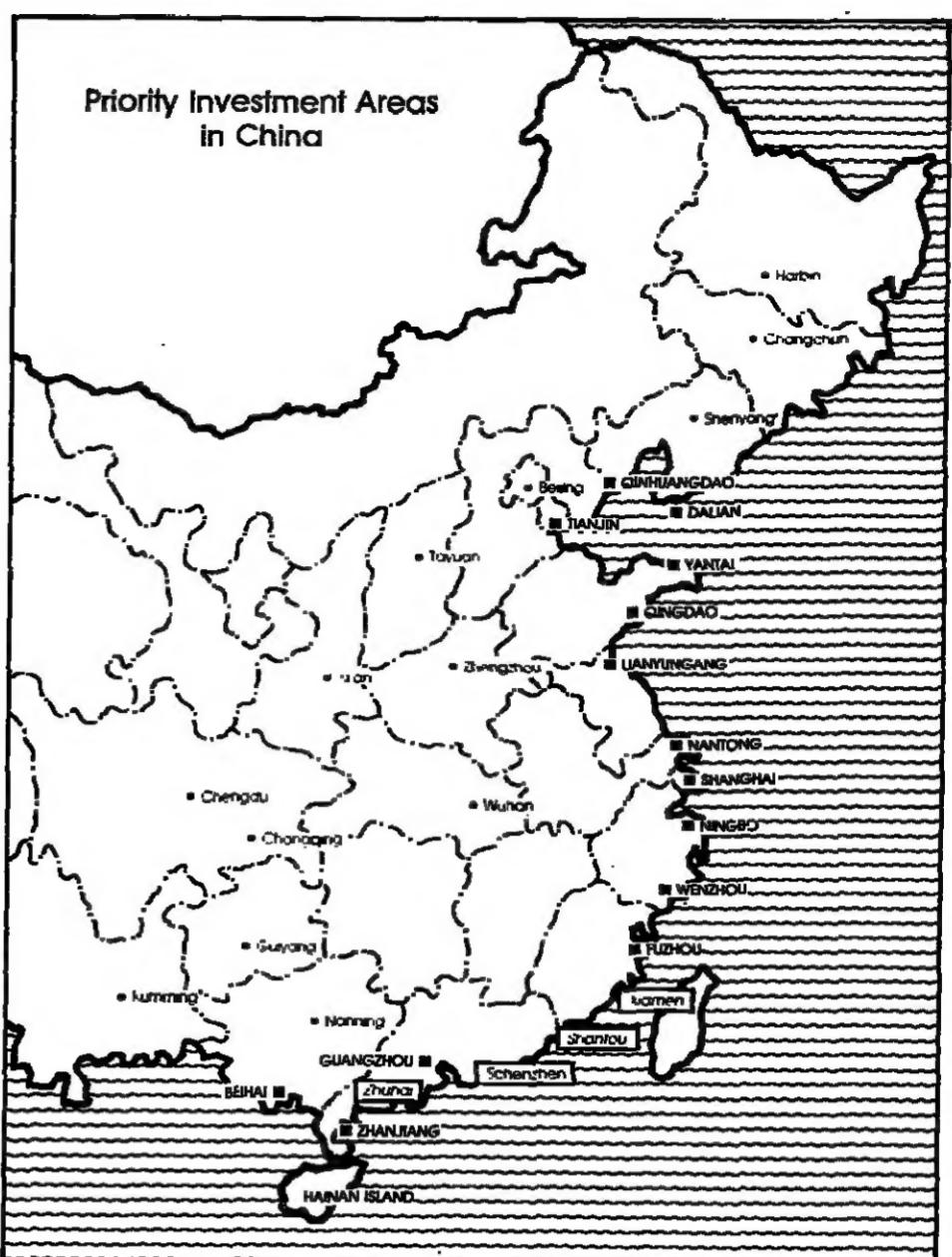
State Economic Commission said that China will spend US\$14.2 billion of its hard currency reserves to purchase 4,820 pieces of advanced technology between 1985 and 1987."

Having made the most of trade surpluses, tourism earnings and overseas remittances, China plans to put its money to work in an effort to upgrade the technology of existing enterprises. According to the Bank report, this was a contested decision: "The conservatives or forces hoarders within the government have argued that the reserves should be held for future energy development. But it appears that the spenders have won out and the

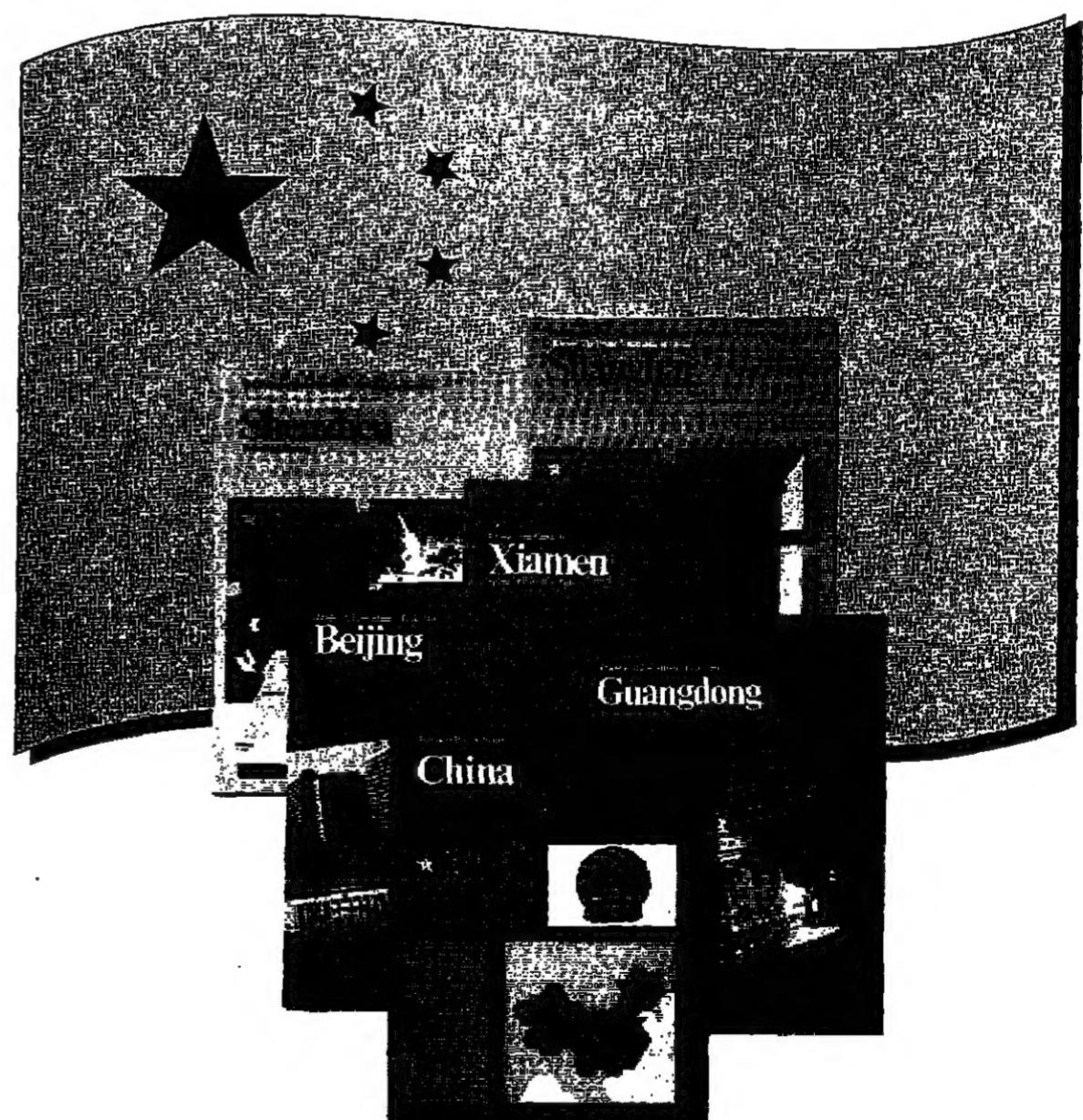
funds will go toward more immediate needs.

Including the forex reserves spending, China plans to invest the equivalent of RMB 90 billion yuan on upgrading its industries in the next three years. Compared with the total spent on technical upgrading in the five years from 1979-1983, of RMB 106.5 billion, this new figure represents a huge increase and signals a strong new tack in China's economic planning."

As a report in the *China Daily* said: "Now the picture seems clear. In the next five years, China's investment priority is to modernize its industrial enterprises." And for Western exporters and investors, that means business.



## Discover China



China's modernisation is re-opening opportunities for Western technology to serve the needs of an enormous market. Getting business in this market is not easy. It calls for the guidance of an organisation where speed of decision and modern technology are backed by a treasury of experience in the China trade. It calls for HongkongBank.

By contacting HongkongBank you can gain immediate access to the full range of international banking services from loan syndication, long-term financing and joint ventures, to detailed trade documentation.

Our Area Office China, based in Hong Kong, can advise you on strategy and tactics for approaching the new market, and our publications on China and the various cities (pictured) are just one example of the specialist information we can provide. You may

contact us at any of our following offices:

Beijing Representative Office

Suite 149, Jangguo Hotel, Jangguomenwai Da Jie, Beijing. Tel: 501074 (Direct), 502233 Ext 143, 147, 149.

Shanghai Representative Office

185 Yan'an Ming Yuan Road, Shanghai. Tel: 218383.

Guangzhou Subordinate Representative Office

Rooms 1363-364, China Hotel, Office Tower, Liu Hua Lu, Guangzhou. Tel: 63388 Ext 1363.

Shenzhen Representative Office

Rooms 414-415, 4th floor, Friendship Commercial Bldg., Jian She Lu, Shenzhen. Tel: 38016.

Xiamen Representative Office

No 128, 12th floor, Oversea Chinese Building, Xin Hua Road Central, Xiamen. Tel: 25690 (Direct).

Area Office China

23rd Floor, Admiralty Centre, Tower 1, Harcourt Road, Hong Kong. Tel: 5-822333.

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CONSOLIDATED ASSETS AT 31 DECEMBER 1984 EXCEED US\$6 BILLION.

## The Great Leap Crosswise – An Everbright Year in China

**1984** was the first full year of operation for Everbright Industrial Company in Hong Kong, a company formed "to do something horizontal" that will nudge more investment openings into the rooms behind China's "open doors" says Fang Zhengping, its public relations manager. Everbright's Chairman, Wang Guang Ying, and about a third of the 75 corporate staff members here came down from Beijing where the company was conceived. Another 175 staff members run four

bright's job is to package small interest loans with foreign banks, package deals with provincial and municipal authorities who now have some discretionary budgets and project authority, and in general create a great leap crosswise between levels of authority, finance and project scope.

"Everbright is not exactly a trading company. We call it a comprehensive company," Fang says. He describes their major business lines as that of buying agents to import technology and equipment (including second hand), regional investment and development projects in China, and real estate in Hong Kong – which so far includes the Admiralty II office towers extension in Central Hong Kong and a project in Yuen Long, on Kowloon peninsula.

They also maintain offices in mainland cities via a separate corporate entity, Beijing Everbright Industrial Company, with offices in Wuhan, Guangdong, Tianjin and the capital. Early this year, the Beijing affiliate signed a 4-way venture contract with Burroughs Corporation in Yunnan province which calls for assembly, distribution and maintenance of small business computers. Press reports put its value at over US\$20 million.

"In the past year we have already been in contact with over 1,000 companies worldwide," asserts Fang. Although Everbright suffered something of a black eye when it retreated from a large Hong Kong property deal last year, its fast lane development efforts are still impressive. Chairman Wang Guang Ying first came to Hong Kong in April 1983. By August, he'd formed Everbright.

"We have had a ninefold increase in contracts signed over 1983," says Fang, "with Continued overleaf

## Guangdong Native Produce Exporters poised for growth in Pearl River Delta Region Plan

**G**uangdong's Governor, Liang Linggang announced early this year that a conference in the new Pearl River Delta Open Coast Economic Zone will be held this April or May — perhaps modelled on the recent 14 open coastal cities symposium held in Hong Kong last winter. Conference participants from the mainland will come to Hong Kong with a shopping list for an undisclosed number of projects. Plans for opening the hinterlands of Guangdong province along the Pearl River put the Guangdong Native Produce Branch of the China National Produce and Animal By-product Import and Export Corporation at the center of change in Chinese trading practices.

Founded in 1953, the heartland products that stand Guangdong Native Produce Branch comprises various areas of activity: with an annual income reported to be US\$30 million. They are: Native produce; Sundry foodstuffs; Chinese crude drugs and patent medicines; Forestal products, divided in to the making of incense, mosquito coils, candles, fireworks, firecrackers, etc.; bamboo products and wooden wares; gold fish; flowers; birds; bird cages and essences. The corporation also manufactures small metalwares, mainly kitchen utensils. China National Native Produce and Animal By-products is a nationally-run trading company with over 20 subsidiaries and customers in over 140 countries.

While 'Sailing Boat' brand gum resin and 'Double Happiness' Brand candles lack the drama of blast furnaces flaring in turnkey steel mills or the like, they are among the thousands of

traders and peasant households — may be granted independent export authority.

Guangdong's Governor has already indicated that the new

medicines and Chinese crude drugs; and various Chinese spices and essential oils.

Rules for foreign investment are likely to come out of the sessions this Spring, but at a major Beijing conference in January Governor Liang stated that the opening of the Pearl River Delta to foreign investment would come in stages, beginning with six cities and ten counties adjacent to them. The six cities are Guangzhou, Shenzhen, Zhuhai, Foshan, Jiangmen, and Zongshan. The ten counties are Panyu, Zengcheng, Nanhai, Shunde, Xinhui, Kaiping, Taishan, Dongguan, Baotou and Doumen. Eventually, he was reported to have said in a Xinhua news dispatch, the cities of Huizhou and Zhaoqing and 14 counties adjacent to them will be included.

Though there have been few reports on the topic of the new delta zones in the international media, Hong Kong's Chinese-language *Wen Wei Po* waxed ecstatic in an early January editorial that followed the Beijing conference. They described a future urban sprawl along both banks of the Pearl River delta that resembled Los Angeles as a kind of megalopolis, with Hong Kong as its 'window' to the world and surrounding hinterland market of some 200 million people.

Though, as of early March, there was no official word from Beijing on the creation of the three new delta zones, State Councillor Gu Mu, China's open policy spokesman, was reported by Xinhua news agency to have said that the whole coast of China will

be opened to foreign investment. Though he could provide no details on investment provisions for foreign firms interested in the Pearl River Delta zone, Guangdong's Deputy Director of the Provincial Foreign Economic Relations and Trade Commission, Feng Xuebin, told reporters for Hong Kong's Chinese-language newspaper, *Wen Wei Po* that the new zone will grant export privileges to a broad range of local enterprises including private traders and peasant households engaged in producing foodstuffs for export. He was in Hong Kong during a visit of the provincial trade commission.

## The Great Leap Crosswise

Modamen, the second largest estuary of the Pearl River and long silted. "This is the biggest project of its kind in China, possibly in all of Asia," asserts Fang Zhengping. As he describes it, nine out of every 10 years several million mu of farmland are inundated during rainy seasons. Dredging the estuary for fill will make it navigable for larger shipping and offer flood plain protection to the upper and middle reaches of the river delta. Presently the project works on a 3½ year completion target.

A key question, says Fang, is whether provincial authorities will find it worthwhile to speed up the work. Local people have been reclaiming land along the river for centuries, but larger equipment would considerably speed the process.

(SEZ), which intends to build a 38 sq/km industrial estate but has yet to develop the plans.

Fang notes that joint venture project structures are either 3-way programs that include a mainland authority, foreign investor and Everbright or 3-way programs done directly with mainland authorities.

Among the projects are: The Wuhan Brewery set up together with AMS Company, West Germany. Under the brand name *Sparax*, 50,000 tonnes a year will be produced, part of it for export. An insulated glass factory in Shenzhen (SEZ). Fang claims to have already identified about 20 American investor companies for the 4 sq/km estate, which is intended for high technology/low pollution applications.

Wang Guang Ying is also the "honorary chairman" of the Nantou oil support service corporation in Shenzhen

agreements. Other companies have brought many technicians for site studies. Toshiba, Hitachi and IHI from Japan; GEC and NE from the United Kingdom. It says the Japanese groups have an advantage due to their association with the Mitsubishi, Marubeni and Sumitomo trading companies who market Chinese products in Japan to raise foreign exchange, and have assurances of government-backed low-interest loans.

Everbright announced its plans for power supply agreements shortly after serious winter electricity shortages were predicted last October by the weekly *Point Review*. Citing the Ministry of Water Resources and Electric Power, "The country is currently short of 10 million kw of the required electricity generating capacity and 4 billion kilowatt hours of electricity," the report said.

China is reported to have 170 generating plants with capacities of over 100,000 kw and another 4,300 facilities that can turn out at least 50 kw. The report noted that 46 projects given priority by Chinese leaders in 1984, 2 involved production of electricity. Earlier reports in the *China Daily* underscore the problem. They claim that 40 per cent of rural households had no electricity and most villages are short of fuel for at least two months every year. They also estimated that one machine out of every five in China is idle for lack of power.

Chinese leaders have decided to invest in nuclear energy and plans for 10 plants have been drafted, though only two are included in the sixth five-year plan (1981-1985); one at Daya Bay near Hong Kong and the other at Qinshan in the eastern province of Zhejiang. The ambition is to achieve a generating capacity of 10,000 m<sup>3</sup> from atomic power by the year 2000.

## Wang Guang Ying — Everbright's Ebullient Chairman

**W**ang Guang Ying, 65, is China's most prominent capitalist abroad. He is chairman of China Everbright Holdings Company Limited, China's first privately registered business in Hong Kong since the 1949 Revolution. Wang is certainly not China's only capitalist, but he is the first to act like one.

From his 39th floor corner office suite overlooking Victoria Harbour and Kowloon, chairman Wang oversees a staff of 75 and the affairs of his wheeling and dealing. In a little over a year, Wang has managed to get Everbright involved in a variety of projects worth an estimated US\$900 million.

China under Deng Xiaoping decided to industrialise — and fast. Old-time capitalists like Wang Guang Ying, who was called a "red capitalist" by Premier Zhou En Lai, are back in vogue.

Wang is tailor-made for the job of facilitating East-West business ties. He is also well-connected, having married the sister of China's former head-of-state Liu Shao-qi. Current Premier Zhou Ziyang, a confidante of Wang's, helped Everbright get established in record time. Beijing also apparently gives the young company all its support.

Since people find the present policies very good, no one wants to change them. Certainly the longer Wang Guang Ying says in town, the harder it will be for China to look backwards.

## Guangzhou gets its First Fashion Show from China National Textile

While the music was the same, it was a 'Love Story' of a different sort that was enacted on the Guangzhou stage in March. It was a celebration of the changes that have swept China since the 'open door' policy to the West was initiated in 1979.

Models paraded 107 garments over the evenings of March 1st and 2nd — to the beat of music from the 1960s, the latest Cantonese pop songs and before packed houses in the 1,600-seat music hall opposite the Guangzhou railway station. It was the first fashion show ever staged by the Guangdong office of China National Textile Imports and Exports Corporation, co-sponsored with the China Silk Corporation.

And its purpose was not even to boost sales, it was just for fun. According to company spokesman, it was presented as entertainment for the citizens who may now buy and wear some of their fashions from Hong Kong and local designers; and a kind of corporate fashion

statement that the 'Liberty Uniform' — those drab blue or grey tunics and trousers out like Western pajamas — is a thing of the past.

Besides improving the quality of Guangzhou nightife and giving amateur singers and models a chance to practice, the event was a

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## New Wuhan office positions Hongkong Bank for China's hinterland thrust

HONGKONG Bank is scheduled to open its new Wuhan office next month, and a spokesman for their Area Office China says river coast cities like Wuhan are another stage in the Chinese government's "trickle-in" approach to rationalized development. According to current Bank thinking, the PRC has turned around Mao Tse-tung's concept of dispersing influence from the cities. This was based on belief that too much investment had gone to cities to the detriment of the Chinese hinterland. Now, under Deng Xiao-ping, the government is back to noting cities - as exemplified first by the Special Economic Zones adjacent to the major coastal cities of Guangzhou and Xiamen and then by the opening of 14 coastal cities to foreign investment.

"They are deliberately shifting urban investment to fit the hinterland this way," said a Bank officer. "The cities are again getting attention; but they are coastal towns to the outside and means to exercise a sort of 'trickle-in' theory of development."

Wuhan is one of three inland cities that have been given unusual discretionary powers. Other are going further up the Yangtze River in Sichuan and Chongqing in the northeastern province of Liaoning. Wuhan is actually a conurbation of two cities with about five million people and it, with the other two municipalities, reports directly to the central council, which makes it the economic equivalent of Shanghai or Beijing. They are test points for the option of change coming over from the coastal areas on the sea and the Hongkong Bank means to fit its leadership in China



Hongkong Bank in Beijing.

## Guangdong Province is the Cutting Edge of three different 'Open Door' Zones

### China National Machinery is the Light Industry leader

Chinese government officials have created a third kind of special economic area - Open Coastal Economic Zones - in three river delta areas of the country, including the Pearl River. That makes Guangdong province the single most "open" area of the People's Republic of China. Of the original four special economic zones, three are in the province: Shenzhen, Zhuhai and Shantou (Swatow). Guangzhou (Canton), capital city, ranks fourth among Chinese cities in total commodities accounts and in export trade counts and is one of the 14 designated "Open Coastal Port Cities" introduced late last year. In addition, it is the major processing center for products in Hainan Island, which was also opened for economic activity at the time.

In the center of Guangzhou's light industrial zone, according to Deputy Mayor Anhai, accounts for 7% of total industrial output value in the province also ranks fourth in the industry, is the China National Machinery Import & Export Corporation's Guangdong branch (CMG). Established in 1956, they have almost 30 years of experience in international trade with clients from over 100 countries worldwide. CMG activities cut across a wide range of manufacturing sectors. They deal in the import and export of machines and equipment for complete plants, specific application machinery, ships and vessels, hand tools, farm implements machinery, electrical products and so on.

Guangzhou alone has a workforce of almost 800,000 in over 4,000 industrial enterprises. The city's shipbuilding industry ranks third in the nation, and its ships have entered the international market. It accounts for the processing of

12% of the nation's nonferrous metals and its total export value of rubber ware ranks second in China.

CMG deals in the export of machinery and instruments manufactured by machine-building enterprises throughout Guangdong province. It handles the introduction of technology, coproductions, joint ventures and the import of machinery, equipment, instruments, parts, components and raw materials needed by provincial enterprises. It also undertakes trade practices such as processing with supplied drawings, samples and materials and sub-assembly, compensation trade, technical service and labor export projects.

There are few things that CMG does not handle. Following is a short list of complete plant machines and equipment now available for export: sugar cane refinery (including multi-utilization equipment), paper making, cereals, oils and foodstuffs processing machinery, equipment for making toilet soaps, production lines for the complete enclosure of paper-case pasted dry cells, complete equipment for making mosquito-repellent incense, equipment for production of various chemicals, marine equipment, construction machinery, rub-

ber-making machinery, cotton textile machinery, packaging machinery, ships' iron blocks, semi-trailer containers, electrical machinery, oil pumps, clean water pumps, fire extinguishers, hand tools, orchard and garden tools.

Guangzhou is a collecting and distribution center of goods in South China and is one of the three largest financial centers in China. Situated at the estuary of the Pearl River, it is also a communications hub in the region. Its links inland are by a cross-cross network of waterways and highways. It is the starting-point and terminus for railways to Shenzhen, Beijing, and Sansui. Its ocean-going vessels call at over 350 ports in over 100 countries and regions of the world. Baiyun International Airport in Guangzhou has airlinks to large and medium-sized cities in China, and direct connections with Hong Kong, Bangkok, Manila and other cities in the region. Huangpu Harbor and Guangzhou Harbor handle 22 million tons of goods per year, with another 16 million tons handled by rail. Goods imported and exported through Guangzhou ports account for 10% of the national total and the city ranks as one of the four biggest ports in China for foreign trade.

about 80,000 hectares of lakes and an "East Lake" five times the size of Hangzhou's famous West Lake tourist draw. Wuhan is called one of the "three furnaces" of China. Summer temperatures can reach 40 degrees Centigrade and drop to minus-five degrees in winter. Ironically, its gorgeous lakes make it humid and more uncomfortable.

Wuhan is Hongkong Bank's first interior office, in neither a front line coastal city nor a Special Economic Zone. The river port is a communications and commercial center for neighboring provinces, especially Hubei. It is also a manufacturer of iron and steel, textiles, precision machines and a center for processing foods from the fertile plain which surrounds it.

Development with Western involvement is not new to Wuhan, which when first opened was a larger port than Shanghai. In fact, Hankow, one of the three Wuhan cities, was one of China's largest trading ports before 1949 and there remain many Western-style buildings. It had some 42 foreign consuls and was one of the original "treaty ports" of the 19th century.

"Our banking network in China takes account of the economic area going ahead," said Bank spokesman. "The Wuhan office puts us two ahead of all the other banks in China. The people here were very welcoming, and provincial authorities very professional. We see a lot of potential there."

Wuhan's biggest drawback is the extremes of its climate. Though a beautiful city with

about 80,000 hectares of lakes and an "East Lake" five times the size of Hangzhou's famous West Lake tourist draw, Wuhan is called one of the "three furnaces" of China. Today, its Area Office employs 20 staff and coordinates activities in Shanghai, offices in Beijing, Guangzhou, Shenzhen and Xiamen (the two latter with Special Economic Zones), and shortly in Wuhan. Its 300 branches in Hong Kong also finance a significant share of the estimated 20 per cent of China's total international trade which is channeled through Hong Kong annually.

Actually, Hongkong Bank

pioneered the very concept of banking in many Asian countries. It was literally the first bank in Thailand, the first Western-style bank in Japan and has always sought to provide better banking services for world trade by opening offices in the world's main ports. A check of the Bank's present 1,000 offices worldwide shows how thoroughly this "ports first" policy was followed. Small wonder that it's so well suited to coastal cities' operations in China and so well understands the requirements of world traders. For instance, it is also the oldest British-run bank operation in New York, France and Germany.

By dint of its own expansion and acquisitions of banks in the Middle East, Hong Kong and the United States, Hongkong Bank has become more a federation of banks than a single mammoth unit. The 20th largest bank in the world in terms of deposits is actually a group of banks, structured so that its various members retain their autonomy, identity and ability. The Bank expects that officers take their own decisions, and notify rather than seek permission from head office. 45,000 staff members in 54 countries are linked for international requirements and unhampered in serving the needs of their local clients.

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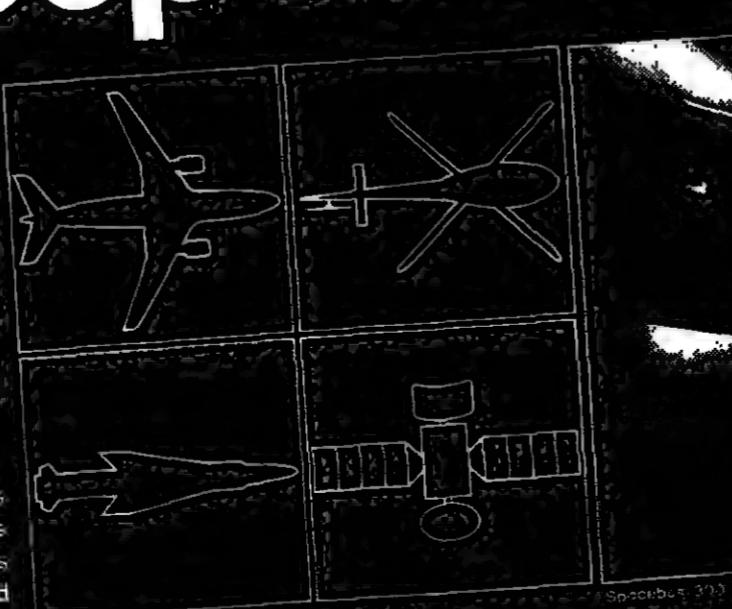
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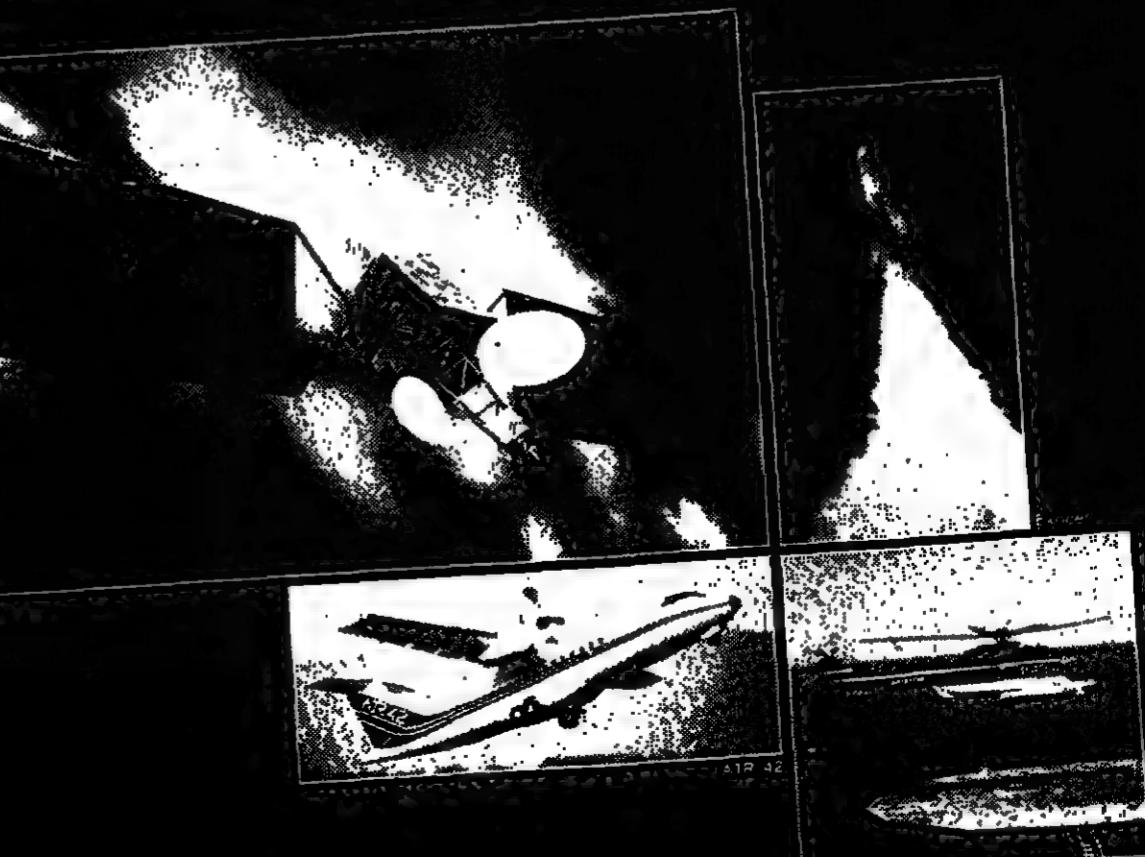
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## 'Emulate Beijing's Jianguo Hotel,' Hotel Managers told at Tourism Conference

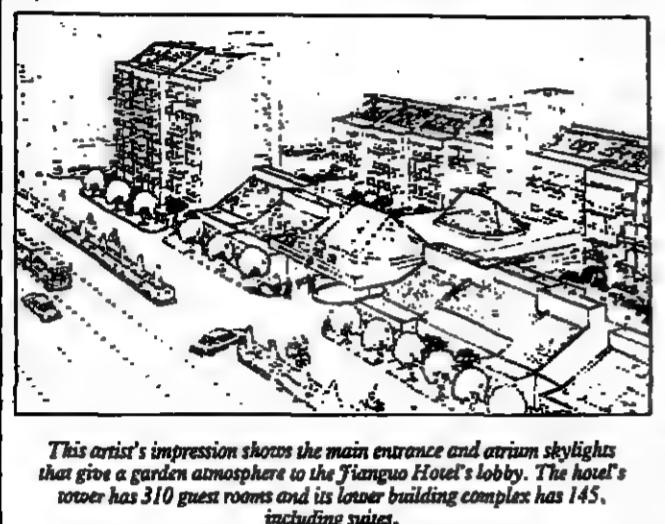
Fifty managers of top state-run hotels in China were told they should improve standards in their hotels, "by emulating the methods of Beijing's Jianguo Hotel, the first in the country to meet international standards." In 1984, the Jianguo was also referred to as a good example of how Western management ideas and techniques can be successful in China. The hotel is managed by Hong Kong's Peninsula Group, the oldest and among the most respected hotel management companies in Asia and the first foreign hotel company to manage a new international-style hotel in the People's Republic of China.

Well located in an area of offices of over 30 international diplomatic missions, and corporations and the commercial section of the

American Embassy, the 454-room Jianguo was designed by the overseas joint venture partner, American architect and property developer Clement Chen Jr. and provides all state of the art hotel facilities including an indoor heated swimming pool, boutiques, banquet facilities, and three restaurants serving Cantonese and other foods, a cocktail lounge and coffee shop.

Its food and beverage outlets are key indicators of quality to foreign Beijing residents and, always alert to market trends, the management decided to open a top quality Japanese restaurant late in 1983. The 'Nakabashi' restaurant on the hotel's ground floor was designed under direct supervision of Japanese management for authenticity and its chefs is staffed by Japanese chefs.

Western delicatessen foods were well nigh impossible to come by before the Peninsula Group decided to open its 'Gourmet Corner,' which carries home-made breads, pastries and cakes in addition to cold cuts, home-smoked trout and imported cheeses. The famous Peninsula



This artist's impression shows the main entrance and atrium of the Jianguo Hotel. The hotel's tower has 310 guest rooms and its lower building complex has 145, including suites.

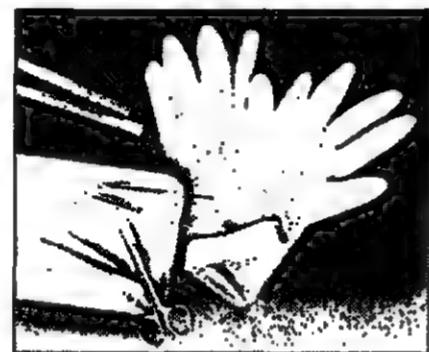
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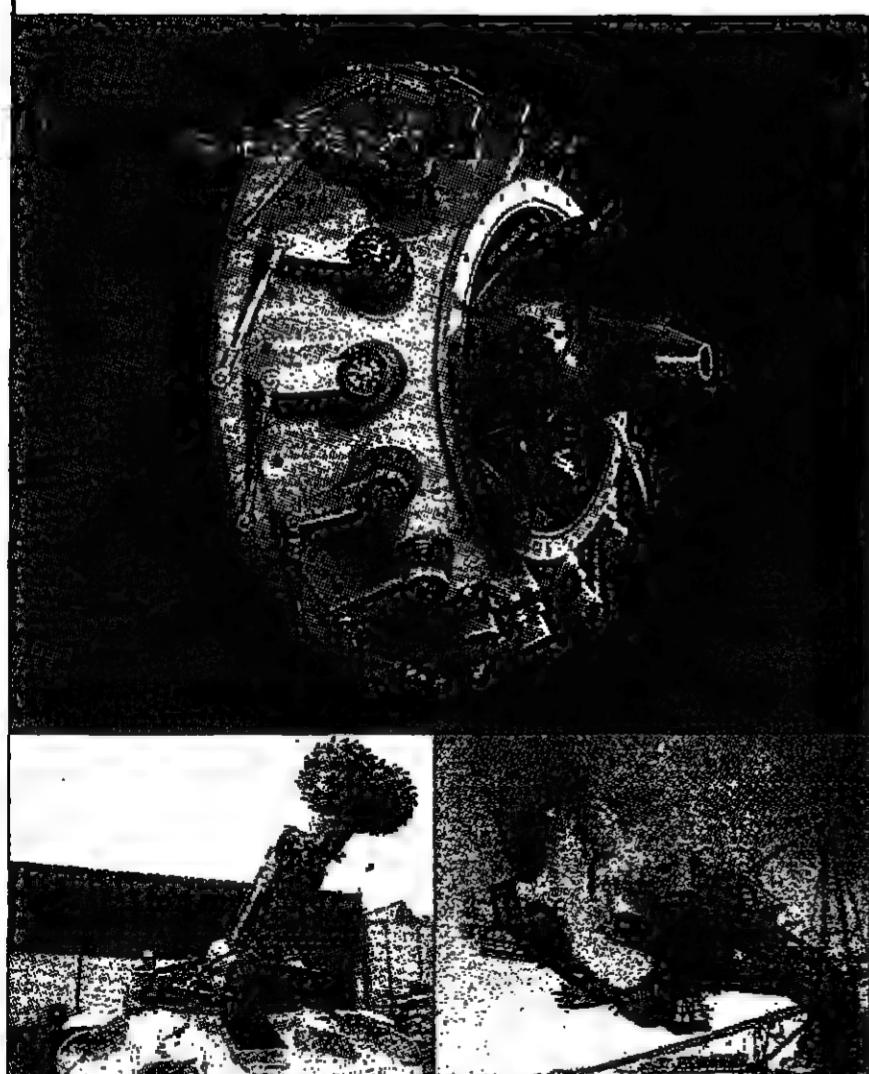
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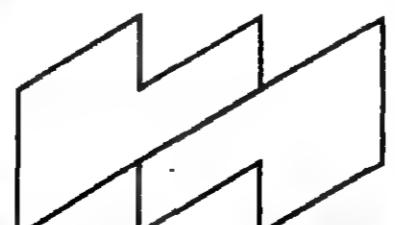
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## AMEX pioneers Consumer Financial Services in China

"We are pacing China's growth. We're trying to provide services for tourism and business at the rate of China's expansion and ability to absorb them," says Richard Weden, Vice-President of American Express travel and card related services in the Far East, Pacific and People's Republic of China. Weden has been based in this Hong Kong posting since December 1983, when there were only three cities with about 14 service establishments accepting the card, mostly in Guangzhou.

Dick Weden is clearly proud of his 15 months spent building the China base of operations and services to American Express Cardmembers: "You can sleep, eat, drink in acceptable Western-style hotels in about 18 cities throughout China. We have about 150 affiliated establishments currently and expect close to 300 by the end of the year."

American Express has been in Beijing about three years, and has its representative office at the Peking Hotel.

They came to China under the auspices of the National Tourist Authority (N.T.A.), which is under the China International Tourist Service (C.I.T.S.).

Initially they operated only in an advisory capacity to the government and as a liaison office for groups coming into China. Even now, the only group tours sold directly by American Express come out of New York City and tally to about 3,000 passengers a year.

Weden's strategy involves four simultaneous tasks: convincing high government officials that some American Express policies are inflexible, such as negotiating his way out of surcharges on card use by members that apply to all other card holders in China; conducting expense-paid seminars for operators of hotels and restaurants and Bank of China officers in the provinces to introduce the philosophy of credit cards and financial services; beating

the bushes to expand the service establishment base of American Express in China; enlarging the size of the Beijing Office to offer more comprehensive services to tourist groups and business people.

### Direct Purchase Service

"Yes, you can hand your American Express Card to a waiter and pay your bill in a hotel restaurant accepting the card," affirms Weden, who adds that, "We still recommend you bring more travelers' checks than usual for travel to China." Lack of card acceptance and, most loudly, the indirect surcharging of card use by Chinese establishments has been a complaint of foreigners doing business there.

American Express forbids surcharging on their product, but the Chinese require a cash advance system be used by all other cards in the country. Until last December, anyone hoping to use a card other than American Express had to go to a special counter in their hotel to make an advance in the amount of their bill. They

could not simply hand a waiter their card and sign a chit. Besides being troublesome, it was expensive. Chinese bankers charge four percent of the total withdrawn for the service. Special hotel counters have since been removed and now only one bank per city is allowed to make such transactions.

This simplified banking

practices, but did little to make life easier for card users.

American Express bypassed the cost to customers itself by paying a fixed fee of US\$6 per check, which also allows for

"direct purchase service" to their cardmembers. That is a euphemism for being able to use the American Express Card for direct payments, without the complications of the "cash advance" system.

### Financial Service Seminars

Richard Weden is a builder. In the most recent issue of *American Express News*, a members newsletter published in Hong Kong, he is quoted as saying, "I consider my job to be one of building local operations that can be

run by local people; of conducting American Express operations in a way that is legally meaningful. In that way, when I move on, I can leave behind me a bit of philosophy, not just about American business, but international business, which allows for a contribution to the country and its people."

Acting on his belief in developing local talent, he hired the former director of the extramural education program at Hong Kong's well-regarded Baptist College, Thomas Lok, now the director of American Express operating in Beijing. Putting an educator in the driver's seat was preparation for the seminar series that began in August 1984. So far four have been held in Guangzhou, Wuhan, Suzhou and Shanghai; attended by about 450 people.

Those that relate to affluent feature little signing ceremonies at the end with presentation photographs of the managers from new service establishments.

The seminars are the basis upon which Weden claims "We are in the forefront, bringing the very concept of financial services and philosophy of credit cards to China. We pay their expenses to attend these sessions. We have invested the money at the time for this and are definitely the leaders here." Seminars are critical adjuncts expanding card acceptance since all such agreements are signed in conjunction with local branches of the Bank of China and administered.

Continued, facing page

## China's Open Areas

All foreign visitors to China require visas to enter the country. The following 149 places are 'open' to foreigners and all require travel permits except those thirty in italics. The numbers refer to the positions on the adjacent map.



Source: People's Daily (September 1984)

## CHINA TEA & COFFEE

The following kinds of products are being handled for export by us, the Guangdong Tea Branch:

Black tea, green tea, scented tea, oolong tea, pu-erh tea, being cha, tou cha, lichee black tea, rose congou, kooloo tea, the well-known tea, canned drinks and a variety of teas in small packages. Each of these items has its own special characteristics and is welcomed by consumers both at home and abroad.

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## Aerospatiale Helicopter Market tied to Offshore Oil Finds, Technology Transfer, and Direct Sales in China

"Although Aerospatiale will likely sell some inter-city commuter helicopters in China's current expansion, 'For us, the main market is the oil business,' says Henri Vernazobres, their Far East and Australasia Representative and Petroleum Industry Co-ordinator in Hong Kong.

For that reason, he is closely watching the build up to a new round of bidding for offshore oil contract concessions in the South China Sea, expected by the end of 1985 or early next year. China is among the world's largest oil producers and is a net oil exporter. However, its onshore oil production peaked in 1980 and the government has since placed great emphasis on attracting foreign investors to participate in exploration and development of offshore oil reserves. According to a recent Citibank report on investment, the China National Offshore Oil Corporation had concluded 18 oil exploration contracts with 27 foreign oil companies by the end of 1983.

So far, finds of commercial quantities of gas by ARCO and oil by TOTAL are the only successes of note, and gas is notoriously expensive to bring out and export. There is consequently a real question as to how many operators will want to undertake the search for resources in the next round of bidding. Vernazobres explains that shares in a concession are spread and it is the

number of vehicles needed and their size or flying characteristics. For instance an oil company may want a large capacity helicopter as a fail-safe against having to evacuate its men in bad weather areas, though the rig may not be far offshore and could normally be serviced by a smaller aircraft.

Helicopter services to oil companies are provided in co-



An SA 365N Dauphin II of CATTC.

operating companies that are closely monitored by service and supply companies like Aerospatiale. He says there are 12 companies active in the south at present, three near Shanghai and one Japanese firm among Chinese operators in the Bohai gulf.

Helicopter support companies rent equipment to oil companies on a monthly or six month basis to service specific oil exploration rig needs. Oil companies pay rental fees and an additional fee based on flight hours of use.

Oil companies exert great influence over which helicopters will be used on a given project and the rental market is actually tied to a ratio of rigs under construction and in use to the air support they require. Rig requirements and location of use affect both the

operation with the Civil Aircraft Administration of China (CAAC) in Guangzhou and the Zhuhai oil base and with the China Ocean Helicopter Corporation in Shekou, part of the Shenzhen Special Economic Zone in the south.

"CAAC and COHC have branches all over China," advises Vernazobres, "but they operate under different names and keep changing the names all the time."

Vernazobres, who has worked on the civilian side of the Aerospatiale market for about four years and has been in Asia for 14 years, also notes that decentralization of CAAC has made dealing with China more complicated. "In the past it was easy. You dealt directly with CAAC. Now the province will decide its need but the final decision still

for arts, antiques and crafts or carpets; over 70 in all.

### Office Expansion

"As China opens with more airlines, hotels, tourist places, our office has more requests to handle an increased number of tourists and to offer services within China. It is now more a link to achieve tours than a direct tour operator." Weden wants to expand the office capacity in Beijing by moving from the present room on the 15th floor of the Peking Hotel to, "maybe the mezzanine area; which would give it greater size - and then staff it with both local Chinese and experienced American Express personnel."

He adds that, "We can't just think of Beijing. We also have office plans for Shanghai and maybe in Guangzhou, and are seeking government approval at present. We may have to go into some type of joint venture. We hope to have a company office in Beijing and then have American Express approved service-office relationships in Shanghai and other key cities."

New service establishments are being added daily and it is clear that Richard Weden and American Express see the People's Republic of China as a great bountiful wilderness of potential cardmembers, service establishments and users. It needs only to be tamed and taught the benefits of plastic over paper cash before it can be tapped.

*Continued from previous page*

## AMEX Financial Services

through their International Division headquarters. That means both local bankers and business managers must understand the credit card concept for the program to work.

### Service Establishments

The payoff is that, according to Weden, American Express has easily doubled the number of service establishments of any other card in China. "About 75% of all people who come into Hong Kong are clients of ours in one way or another. I imagine the same is true in China," he surmises.

Weden outlines the current services available (as at mid-March) and notes they are operated in a cooperative arrangement with the Bank of China. These are some commonly available elsewhere that are not yet open to cardmembers in the country:

1. Emergency check cashing is available at Bank of China offices in 36 Chinese cities (see map).
2. Travelers' check refunds are available at the main branch of the Bank of China in eight cities so far: Beijing, Tianjin, Shanghai, Guangzhou, Hangzhou, Qingdao, Shijiazhuang, and Xian was signed on this month (see map).
3. Mail pickup services at the Beijing office.

4. Emergency card replacement at the Beijing office.

5. General tourist and business information assistance, Beijing.

6. Reservations booked (only in some cases).

7. No airline confirmations. Right now all must be made through CAAC, which is not yet affiliated for card acceptance.

"Direct purchase" service establishments existed in 19 Chinese cities according to a list released by American Express. Hong Kong in mid-March. They are weaker on hotels than might be expected, which Weden explains with the example of Shanghai - a key city from his view and one where major hotels such as the Peace or Jingling still do not take the card - "They see no need for giving discounted rates to the cards when they are always full. They do not yet see the card as an expected service by business people and travelers."

In Beijing he notes that there remain four joint-venture hotels currently not accepting the card, but he expects that to change within a month or two. As of March, American Express was accepted in one or more hotels in 14 of the 19 cities; about 35 altogether. The overwhelming majority of service establishments are either showrooms or factories

helicopter sold since 1967 has led to over 100 Chinese technicians being trained at the main Marignane plant near Marignane airport or the La Courneuve helicopter blade plant near Paris.

"Those helicopters delivered in 1967 are still flying," notes Vernazobres, who adds that this means more as a testament to the original 15 Alouette III seven-seater helicopters than if they were aircraft, which generally require less maintenance. "In a helicopter, everything moves, so there is more wear."

In 1973, more direct sales were made, this time of 13 Super-Frelon models with three engines and long range. In 1980, besides the Harbin agreement, three Lama SA315 five-seater helicopters were purchased by China.

This unique aircraft set a world altitude record of 12,440 meters and is capable of lifting more than its own weight. It's a workhorse vehicle popular for cargo sling operations, characterized by excellent high altitude and hot atmosphere performance. In 1984, six AS332 Super Puma models were purchased. These large vehicles are popular for corporate travel and transport of officials. Spare parts warehouses are kept in Hong Kong and Singapore and Aerospatiale keeps a French engineer in Beijing on call for after sale support.

## Peninsula Group promises Global Standards for the Garden Hotel

Late last year the Peninsula Group undertook to bring international management and service standards to the 24-storey Garden Hotel in Guangzhou (Canton). In a joint venture agreement with Guangzhou Lingnan Investment Company and Garden Hotel Holdings (HK) Ltd, this 'city within a city' aims to become a primary venue for business travellers to Spring and Autumn trade fairs, as well as overseas residents based in Guangdong to support new 'open door' investments like development of South China Sea oil exploration support bases in nearby Zhuhai.

The Garden Hotel and adjoining 17-storey office and apartment block are set in their own landscaped gardens, and the 24-storey hotel has been designed to provide both the guests in its 1,147 rooms and expatriate residents a self-contained service and leisure center in China. Food and beverage outlets range from a revolving restaurant at a height of 90 meters over Guangzhou, "The Carousel", to an unusual collection of small food stalls clustered along an artificial lane called "Lai Wan Market" and serving Southern Chinese specialties and snacks. There are 15 restaurant outlets in all.

Leisure facilities include international standard tennis and squash courts, due for completion late this year, and

children's wading pool.

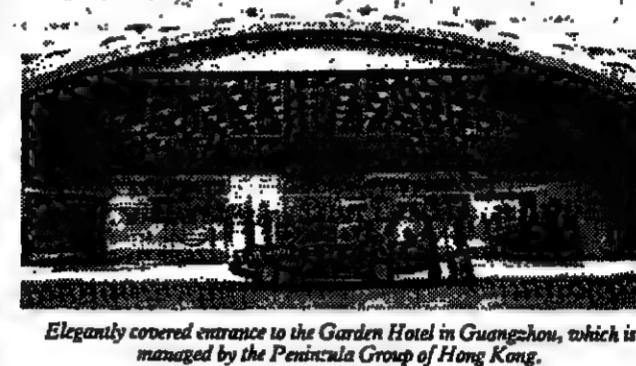
Also under construction are conference hall of 1,580 sq/m that can accommodate up to 1,400 delegates theater-style, with simultaneous translation facilities and full A/V support systems. The new area will also lend itself well to exhibitions, banquets, stage shows and other demonstrations. The Garden Hotel business center features private conference offices, word processors, telex, document facsimile facilities, computers, a business library and

multi-lingual secretarial services.

Already managing one of the world's great hotels, The Peninsula Group recognized early on that high standards of facilities without related service quality were a waste of money. To overcome the problem, they devised an extensive training program for their 2,000 locally recruited staff.

Increasingly, new Guangzhou hotels have celebrated the merging of Western modernism with Oriental themes in their lobby decor. The lobby of the Garden Hotel, designed by architects W. Szeto and Partners of Hong Kong, is a sculptural marble showcase of mammoth proportions - 80 meters long and nine high - that pays tribute to China's most famous literary classic, *The Dream of the Red Chamber*, on one side of its luxuriant entranceway, and to the agrarian life of Hainan Island on the other.

Members of the Foshan Arts and Crafts Institute were commissioned to depict a scene from *The Dream of the Red Chamber* in black marble transported from Shanghai. The scene is described with incised gold leaf. Hainan's simple agrarian lifestyle is contrasted in blocks of white marble. To complete the sculptural gallery, the city's official flower, from the kapok tree, is carved in relief on white marble at the far end of the lobby.



Elegantly covered entrance to the Garden Hotel in Guangzhou, which is managed by the Peninsula Group of Hong Kong.

## Retailing, Containerisation, Trading and a patient, long-term approach to China...

Hutchison has prospered in difficult economic times by doing well what we know best

steady, sensible growth has helped us to profit even during the unsettled property market of the past two years.

### China trade

Hutchison is increasingly involved in business with China. We have offices in Beijing and Shanghai and we're steadily building our commercial ties with most of the China State agencies. We know the prospects of business with China offer great potential, but care, patience and a clear understanding of China's priorities are prerequisites for success.

If you're looking into Hong Kong or China, it would be worth your while to take a closer look at Hutchison.

**Write for more information**  
For more information on Hutchison, please write to us on your letterhead. We will send our latest Annual Report plus more information on any other aspect of our operations that you designate. Write: Hutchison Whampoa Limited, Corporate Information, 22nd Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.



grasping the initiative when opportunities arise is why Hutchison is more than just managing in Hong Kong. What more conclusive evidence is there than our consolidated net profit for the year ended 31st December, 1983 of HK\$1.17 billion?

Our spheres of influence include quarrying, shipping, food manufacturing... even hotel ownership.

We're also in property management and development. Our policy of

**Hutchison**  
HUTCHISON WHAMPOA LIMITED

We're more than just managing in Hong Kong

## FAMOUS SINCE 1900—THE YANG JIANG KNIFE

Yang Jiang knives have been produced in Guangdong Province since the turn of the century.

They have become a household name in China for sharpness, durability and good looks.

Originally produced by hand, Yang Jiang knives are now machine-made but the same pride in craftsmanship continues in the manufacture of the "Diamond" brand of Yang Jiang knives.

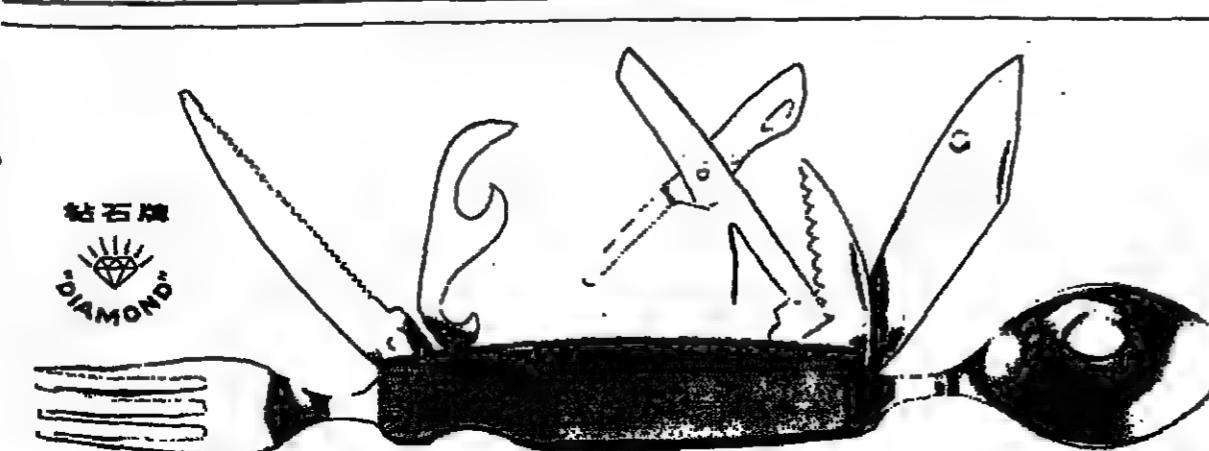
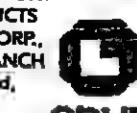
Over 200 different "Diamond" knives are available in stainless steel, or electroplated steel. They

feature many varieties of handles including wood, aluminium and plastic.

"Diamond" brand Yang Jiang knives — sold in more than 42 countries around the world.

Please contact us for more information.

CHINA NATIONAL LIGHT INDUSTRIAL PRODUCTS IMPORT/EXPORT CORP., GUANGDONG BRANCH, 2, Qiao Guang Road, Guangzhou, China. Tel.: 31955-25. Cable: INDUKT GUANGZHOU. Telex: 44447 KUJPC CN.



## Guangdong CNLIP markets Diamond Knives Overseas

Guangdong's branch of the China National Light Industrial Products Import and Export Corporation means to put a 'Diamond' in the pockets of new overseas customers - a 'Diamond' (Yang Jiang) brand knife. Over 200 types of knives are produced by the branch in an industry traditional to the province, but which has been adapted to machine production.

Their emphasis is now aimed to compete in markets dominated by the classic "Swiss Army Knife" and its imitators with variations on pocket or camping knives that fold closed. However, the company has produced knives

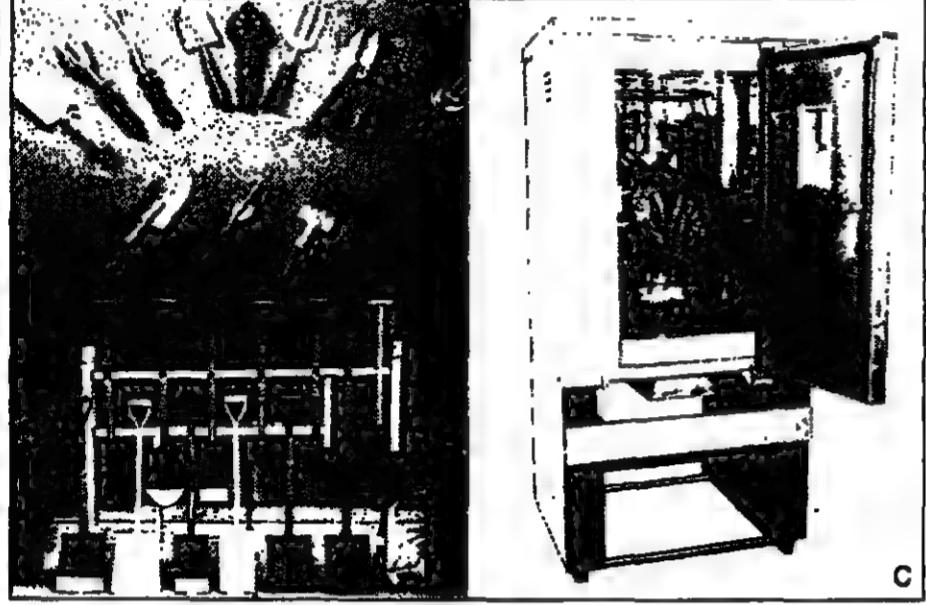
can hold an edge is demonstrated by their ability to still be used as a shaving blade after slicing a coin into halves, say company spokesmen. Quality and competitive pricing have already led to demand for the 'Diamond' knives in 42 countries in Europe, the Americas, Southeast Asia, and Africa.

CNLIP is still directly regulated by central state planners and its eight divisions are situated

since the turn of this century and offers a wide range of products, such as hunting and kitchen knives. They come in stainless steel or electroplate and handles can be wood, aluminium, plastic, etc.

The fact that their knives

## MACHINERY From Guangdong CHINA



中國機械進出口公司廣東省分公司經營出口

**EXPORTED BY**  
**CHINA NATIONAL MACHINERY IMPORT & EXPORT CORP., GUANGDONG BRANCH**  
61, Yan Jiang Road (W) Guangzhou, China.  
Cable: "MACHIMPEX" GUANGZHOU  
Telex: 44376 HAGON CN

throughout the province and employ tens of thousands of workers - most often in very small production teams. They are anxious to import modern technologies for the reason that current methods keep outputs low though the branch enjoys a huge market penetration. Beyond the odd items like plastics and steel sheets, raw materials are supplied locally.

### Bonuses

The impact of new open door policies is expressed in new wage systems and wider overseas participation bonuses are given and some workers measure their monthly pay in the hundreds of Renminbi. This remains considerably lower than comparable workers in Hong Kong, Singapore, Taiwan or South Korea, but spokesmen claim it is for the moment the success of financial incentives rather than such relative dollar amounts that have improved efficiency.

### Opportunities

All eight of the branch divisions are keen for overseas involvement, which offers opportunities to the small and medium investor, such as a German company that is involved in a cooperative venture to produce a barbecue oven which burns wood fuel rather than gas or requiring electricity. The divisions are: Large and Small general merchandise departments; Stationery; Musical instruments (Chinese and Western); Sporting goods; Paper; Plastic products (including toys and plastic utility items); Household construction products (including wallpaper and carpets); Household electrical appliances; Shoes (mainly of rubber and cloth for light uses); Suitcases and handbags.

### China Trade

Consultant with offices in H.K. & Guangdong. Fluent in Eng., Cantonese & Mandarin. Exclusive connections in trade and investment in China. Principals in U.S.A., N. America, Europe, Middle East & Asia are invited to submit details of projects involving China trade/investment to Robert Lee, Managing Director.

PLC Services  
100 Thomson Comm. Bldg.  
& Thomson Road, Wan Chai,  
Hong Kong.

## PIA counts its China Service a High Point in its Growth

It was the proudest moment in the history of Pakistan's national carrier when its Boeing 720-B landed at Shanghai airport, commencing a regular weekly service from Karachi to Canton (Guangzhou) and Shanghai in April 1964. PIA was the first IATA carrier and first airline of a non-communist country to touch down on the mainland. The People's Republic of China has opened its doors to the outside world on the wings of PIA.

Thirty-one years ago in 1954, a passenger airline carrying the flag of the sovereign state of Pakistan swept into the clear blue sky over Karachi. It was a green and white Lockheed Super Constellation. The flight - the first ever non-stop Karachi-Dhaka service - signalled the birth of PIA, a landmark in the aviation history of Pakistan.

Today, Pakistan International with a fleet of 32 of the best available aircraft in the world, ranging from the ever useful F-27 to the giant Boeing 747, transports over 10,000 passengers and tons of cargo every day, touching 38 international destinations in Asia, Africa, Europe and North America, besides 24 domestic points.

PIA today wears a modern look and intends to keep it so, looking into the future with humility, hope and aspiration. To survive and succeed in the tough, fast-moving and fast-growing world of commercial aviation, we depend as much on enterprise as on innovation.

commitment to excellence and a determination to succeed. The airline today symbolizes Pakistani enterprise and reflects a dynamism that is the pride of Pakistan.

Profitability, though very welcome and essential for the survival and growth of an airline, however, is not the only consideration in PIA. Being a national airline, PIA is ever mindful of its role in the development of Pakistan.

By linking of remote and inaccessible coastal towns or providing the life-line to the snow-bound Northern Region, be it the induction of modern technology in Pakistan or the introduction of Pakistan skill and enterprise abroad, PIA has never failed to spread its wings.

Having set the trend for modernisation in Pakistan, PIA has kept pace with technological developments in the industry, achieving many a first on the way. PIA today is the first Asian airline to order the brand-new Boeing 737-300.

Over twenty years ago, PIA became the first non-communist airline to fly to the People's Republic of China - not merely another PIA landmark but a major international aviation breakthrough.

And 16 years ago, PIA helped bring about another international breakthrough - the first major contact between the United States of America and the People's Republic of China. Cloaked in

absolute secrecy, a PIA Boeing flew Dr. Henry Kissinger from Islamabad to Beijing. That was history in the making again.

PIA does not rest on past laurels. There is a continuous effort for the better. Effective management always of special concern to an organization with the scope and size of PIA, is currently under scrutiny again.

The airline's steadily improving performance since mid '81 is an indication that administration has been geared up and the whole complex organization is functioning more smoothly.

On the international scene, PIA are looking towards and working for greater cooperation and coordination between not just the Asian airlines but the airlines of all developing countries. On our part, PIA has helped train airline personnel from many developing countries and continue to do so at our modern training centre.

Wherever possible, PIA will try to meet the needs of developing airlines for skilled technical staff. This is in addition to the training PIA provides to their employees at all levels.

In a world where size matters, the operations of airlines of developing countries based on a pooling of resources present a great potential which, if exploited imaginatively, could open up new vistas of growth and expansion.

## Medical Supply Branch of Guangdong CNC goes Independent

Spokesmen for the Medical Supply division of Guangdong's China National Chemicals Import and Export Corporation branch said that as of 9th March they have been established as an independent trading entity due to their increasing importance and size. The division is presently broken into four departments: patent medicine, pharmaceuticals, medical equipment and clinical supplies.

The medical supply division is a trading and manufacturing operation, but does no research of its own. It does influence the direction of research, however, as the organization responsible for marketing and commercializing laboratory products.

The medical supply division has nothing to do with Chinese traditional herbal medicine, spokesman caution. It is rather a modern pharmaceuticals house that handles about 11 categories of prepared drugs such as antibiotics, sulfonamides, antipyretics and analgesics,

vitamins, sedatives, biochemicals, steroids, and special feed grain chemicals, etc.

Products currently in high demand are Hesperidin Methyl Chalcone, derived from mandarin oranges. It is believed to prevent high blood pressure, arteriosclerosis, scurvy and nose hemorrhage. Division spokesman note that, according to the literature of other countries, it can also help in the prevention of gastric ulcers, treat the symptoms of dropsy, and some allergies. It is also an ingredient in certain medical cosmetics.

The China National Chemicals Import & Export Corporation was founded in 1950. It is the first import-export corporation to have been established in the area of south and central China, with its head office in Guangzhou. Besides exporting pharmaceuticals CNC Guangdong handles over 100 individual chemicals and has

power stations are the specialties of the company's steel and apparatus construction department - the largest of its kind in Austria and among the best known in Western Europe. Their seven major markets are defined by their high stress conditions and related safety concerns: conversion plants, heavy oil hydration, methanol plants, ammonia plants, coal upgrading plants, conventional and nuclear power stations, and any plants with high temperature and pressure requirements.

Transportation of heavy materials is a standard requirement of the mining industry and Voest-Alpine has developed automated conveying and handling installations based on its own experience in mining and steel plants. Automation has also played an important role in the development of their machine and precision technology. For over 30 years they have manufactured tool machines for both cutting and non-cutting applications. By using module-type construction tied to highly computerized hierarchies of controls, Voest-Alpine engineers claim to have made a thing of the past.

Through its VEW subsidiary, which produces the SBS brand of oilfield equipment, Voest-Alpine has 30 years of experience in the oil and gas industry. They also work in cooperation with OMV group, the fully integrated oil, gas and petrochemical group of Austria, to provide well-head equipment such as high pressure valves.

Voest-Alpine's long-term strategy is to combine Austrian experience with technology from the United States and they already have joint manufacturing agreements for drill bits, electric submersible pumps and complex drilling rigs. Related services include the provision of petroleum engineers for consulting on production and reservoir engineering problems.

## Austria's Voest-Alpine pursues five major Far East Markets

Voest-Alpine AG Finalindustrie, the finished products division, is known mostly for its processed steel products. Its production in the 1970s was redirected from medium and heavy machinery towards precision and automation engineering and a concentration on five major areas in Far East markets: hydro-electric power plants, mining, transport and handling equipment, machine and precision technology, oil and gas field equipment, machine and precision technology, oil and gas field equipment and services.

In the hydro-power area, the Voest-Alpine bulb turbine has wide appeal for use on river power stations due to its combination of high efficiencies, short construction time, and relatively small size - which enable the building of smaller powerhouses for the turbine and a less obtrusive presence in the countryside.

Power station components from Voest-Alpine are already in use in the Philippines, India and Taiwan. Components and complete stations have been sold to the Philippines for its Magat River Project at the Agus I station and the Maramag-Pulangi IV station on Mindanao. In India, they have provided the mechanical equipment for the Panchar Hill pump storage station and components for Taiwan hydro-power stations.

Austria has a long history of mining and in the production of associated equipment for both tunneling and open pit operations. Valuable lessons learned in developing their own difficult to reach deposits have been the basis for creating high standards of mine products, service and engineering. For instance, their AM 50 Alpine Miner, one of four in series, is a selective

cutter machine designed for operation in medium hard rock up to an unconfined compressive strength of about 11,200 psi. It can excavate a wide range of rock formations encountered underground and has been used in both mining and construction industries.

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## Beautiful Porcelain and Pottery from China

For over one thousand years the area of Guangdong Province has been famous in China for its porcelain and pottery.

Guangdong Ceramics Company is a trading and manufacturing company which is responsible for research, manufacturing, domestic sales and the export marketing of ceramics products from Guangdong Province.

Available for export are: ceramics for daily use; art pottery and porcelain; garden items, and building as well as industrial porcelain products.

Guangdong Ceramics Company is also interested in the importation of technical materials for ceramics, fuel, equipment and appliances related to the production of ceramics.

For more information contact:  
GUANGDONG CERAMICS COMPANY  
No. 57, Zhanqian Road, Guangdong, China.  
Cable: CERAMICO GUANGZHOU  
Telex: 44269 GDCCO CN



Peninsula Group hospitality awaits you in the fabled City of Beijing The Jianguo Hotel.

It's managed by one of the world's leading hotel operators, The Peninsula Group, which means the finest rooms, service and restaurants, and easy, efficient bookings from anywhere in the world.

For reservations: Contact your travel agent; The Peninsula Group, Hong Kong tel: 3-7225771 or 3-682335, telex: 34064 PENGF HK; The Jianguo Hotel telex: 22439 JGHBJ CN; any Cathay Pacific Airways office.

The Peninsula Group of hotels are located in Hong Kong, Singapore, Manila, Bangkok, Beijing and Guangzhou.

كما في الأصل

## Hutchison looks to build a China profit Center

ONE of Hong Kong's most profitable trading houses is poised to expand into China during the next few years.

Hutchison Whampoa Ltd (HWL) has been involved in the growing China market for several years and the confidence engendered by the success of the 1979 agreement has encouraged its Chinese ambitions.

As Hutchison Group Managing Director Simon Murray is quick to point out, the Hutchison China Trading Division has undergone a dramatic expansion since Simon To was appointed Managing Director in 1980.

"We now have 42 people in Beijing, Guangzhou, Shanghai and Hong Kong who are actively involved in seeking opportunities and participation in group members and their agencies," Murray explained.

"They're also acting independently to develop two way trade and investment opportunities between China and the industrialized world on our own account."

In order to meet the diverse demands of the Hutchison Group divisions while simultaneously concentrating on building up China trade as a profit center in its own right, Simon To has split his empire up into Consumer, Construction, Industrial and Energy/Aviation/Hotel Supplies sections.

The first three divisions concentrate on handling such things as Chinese canned food products, the manufacture of ice creams in Shanghai and importing of steel for marketing in Hong Kong," explained.

While this is obviously a key element of the China Trade Division's business, the rapid development of the HWL Group's own expertise in the China market opens the way for HCT's expansion.

"We've already made some very satisfying gains in several key areas and have won contracts for supply of shore logistical support systems and technology to the Chinese coal industry," To revealed.

The Aviation division presents agencies such as Lockheed Georgia, aerospace Helicopter Division, Dornier aircraft and DEX aircraft as well as a leasing of Helicraft Union of France and Schreiner of Holland helicopters and STOL aircraft operators.

"We're also currently developing a joint venture air cargo company with AAC-Shanghai, Airborne and DHK through the fruits of which we'll be seen for several years yet," To said.

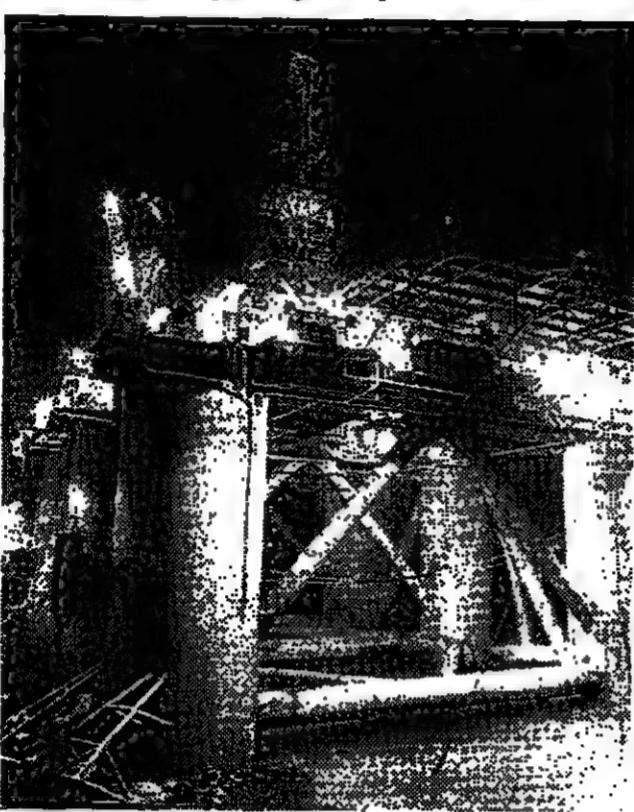
The Hotel Supplies department markets building materials, furniture, fixtures and equipment to hotels and office buildings.

"I think our investment in long term credibility through office expansion and an increase in personnel has already paid off," To added.

"The real profits will be made during the next decade. I believe our position as the only China trading company with strong Hong Kong

With more than 90% of its activity and its assets in Hong Kong, Hutchison has prospered during the past two uncertain years with post tax earnings now exceeding US\$120 million on a recurring basis.

"Although other trading companies have diversified



South China Sea Oil Rig, the Jim Cunningham, under repair at Hutchison's Hong Kong Dockyards facility.

Photo: Hutchison Whampoa Ltd.

Chinese control will enable us to build on this foundation." While this ties in neatly with Hutchison's China philosophy of "specializing to build a reputation for professionalism in fields such as offshore oil services, aviation, industrial catering and engineering", it doesn't mean that the company is leaving Hong Kong.

fermentation: green, oolong and black. Broken Orange Pekoe is a fine cut black tea that has become a Western standard. Guangdong's gardens growing this variety have a picking season from March through to late October. Cooler northern areas get their first flush harvest in about April until late September, when the last and usually best harvest of the year is made. Picking in Hainan goes on 11 months a year.

Until the late 1950s, Guangdong specialized in small leaf exports of "Congou" teas. These fine tea leaves were once hand rolled and their name comes from a mispronunciation of the Chinese term meaning "much work". Less work for greater gains explains why provincial

growers have increasingly switched over to "big leaf" teas transplanted from Yunnan Province. They adapt easily and offer an excellent Orange Pekoe type tea. Growers claim they have enough "golden tips" to rate them among the world's best black teas, usually considered to come from places like Sri Lanka and India.

"Big leaf" tea leaves measure in at about 15 by 5/cm when full grown, versus the tiny Congou leaves that may be only 5 by 2/cm. Guangdong Province has long been a region pioneering the adaptation of Chinese products for export markets, and its tea growers have only naturally been the first to market their product in tea bags for overseas sales.

in the shapes of butterflies or with unusual landscapes and designs by methods reminiscent of folk artists in America who build cathedrals and the like out of wooden matches. To create these patterns and collage effects, each piece of straw is slit down one side with a razor, then soaked in warm water. After being ironed dry, the flat ribbons of straw are glued side by side onto a sheet of paper. These can be cut and shaped before being glued to a box to make an array of designs.

## "Black Tea" Growers increase efficiency with "Big Leaf" plants

The "Black Tea" of Guangdong Province has been adored to Western tastes, since the mid-17th century, have the export porcelain cups from which Europeans sipped their brew. Guangdong's warm climate and relatively low elevations have made it well-suited to meet the demands of an international market for tea that take milk well and are full-bodied. Besides processing teas grown in the area, Guangdong stores handle the Yingteh Black Tea of Yingbeity to the north and a black tea from Hainan Island to the south.

All the tea in China is the same, until it's processed.茶人 talk like vintners when they start to describe the subtleties of their products, but there are three basic teas that result from controlled drying and

make for tightly woven trivets and handbags. Most unusual, craftsmen of Dongguan, Shaoqin, Zhaizhang and especially Shantou - also famous for porcelain and lace - use of threads of colored straw to piece together small pictures that make use of the natural sheen and straw texture to imitate surfaces of leaves and birds' feathers. Colored straw is also used to make wildly colorful boxes

## Hong Kong's only hotel with a China connection.

Just a few minutes walk from Kai Tak airport by airconditioned walkway, you'll find a hotel with first class facilities plus a specialist China Team.

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AIRPORT HOTEL  
HONG KONG  
TRAVEL COMPANION OF AIR FRANCE

For reservations, contact your travel agent or telephone 40866 HOMRA HK.



Mr. Simon Murray  
Group Managing Director, Hutchison Whampoa Ltd.

continues to be securely based in Hong Kong. The trading concern successfully acquired 34% of Hong Kong Electric in a HK\$2.9 billion (US\$371 million) deal which provides the Group with quality recurring profits.

A steady performer whose consolidated group profit increased by 19% from HK\$782 million (US\$100 million) to HK\$934 million (US\$121 million) in 1983, Hong Kong Electric is expected to become even more profitable in coming years as economic recovery comes to the territory.

The electric utility also has mechanical engineering, property, retail, contract sales, export and ceramic divisions that complement Hutchison's own diverse interests.

"Many of HWL's operations will be strengthened by the acquisition of a significant share of a large, well managed and easily identifiable company such as Hong Kong Electric," Murray said.

Speaking of Hutchison Group's property division, Mr. Murray said, "The commercial areas of housing estates such as Aberdeen Centre, Hung Hom Bay Centre and Provident Centre which the group has developed, together with prime office and industrial buildings, provides a rental income of over HK\$300 million (US\$38 million) per year".

Recently the HWL Group confirmed a US\$400 million investment program for the redevelopment of the Hung Hom dockyard. "More than 11,000 residential apartments will be constructed on the site over the next six years, which should provide a sound income on an annual basis as each stage is developed," Murray noted.

This expenditure is matched by the amount of investment Hutchison is

making in its two container terminals, which handle together about 45% of the total throughput of the world's second largest container port.

"We are arguably the largest private container operator in the world, handling over 800,000 TEUs or twenty foot equivalent units per year," Murray explained.

In the foreseeable future the Group will decide whether or not to spend US\$250 million plus on extensions to the container terminal to meet anticipated growth in demand.

"We believe that this could be a sound investment in Hong Kong's future, particularly as the draft agreement with China specifically provides for the container port to remain in the private sector," Murray said. Many of the containers handled by the terminals are destined for major importers and wholesalers in Hong Kong such as John D. Hutchison Trading Limited, which represents many brand-name products on an exclusive agency arrangement.

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It's said that every household in Hong Kong uses some product handled by John D. Hutchison every day, many of which are retailed through the HWL group's A.S. Watson subsidiary.

"Unfortunately there has been a general down turn in the construction industry lately, but the company has secured long term contracts for such projects as the Mass Transit Railway system, which has enabled it to ride out the difficulties," Murray added.

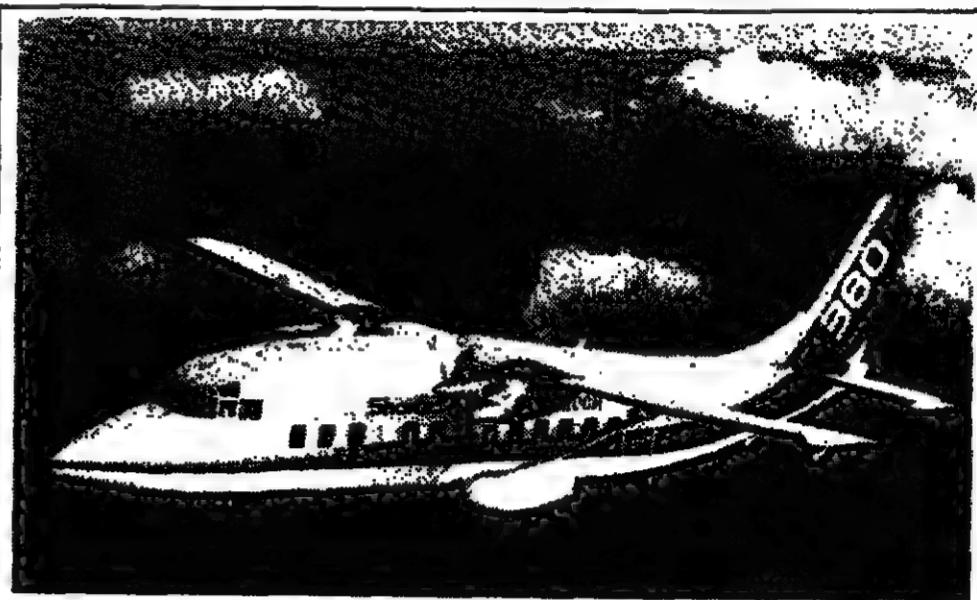
Looking further ahead, Hutchison has made its initial foray into the hi-tech future through its investment in a new company, Hutchison Telephone Company Limited. "It is a new venture with Motorola and Distacomm Communications in which we have 51%. Hutchison Telephone will offer a public mobile and portable cellular telephone service to Hong Kong," Murray explained.

Add to this Hutchison's

substantial minority interests in Hong Kong's South China Morning Post Newspaper, and Sheraton Hotel, and a clear portrait of a solid, well-managed and diverse group emerges.

"Our fundamental strength lies in our operational management at the working level and the group's adherence to the businesses it knows well in the environment it knows best," Murray concluded.

"Given this strength we can look to the future with great confidence, particularly in the Chinese market which is ready for business and whose open door policy has provided a welcome incentive for Hong Kong-based traders such as ourselves."



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## Meridien Airport Hotel plays a China Card

Hong Kong has built its business reputation on being a compact city. For that reason alone, notes Michael Novatin, General Manager of the Meridien Airport Hotel, "an airport hotel is not needed just because of distance from town." It was the apparent contradiction of good business sense when the hotel was built 2.5 years ago that made it the butt of local jokes. "We were laughed at, pushed around and jeered at for building a hotel in a squatter area," recalls Novatin.

There are few things sweeter than the last laugh, and Michael Novatin has had it. His hotel runs at 90% occupancy 2.5 years after its opening, has what he claims is an 80% business traveler clientele with 1,200 commercial accounts and a ranking right after the Mandarin and

questions about traveling and doing business in China that we couldn't answer," says Novatin. First he brought in Riggs Business Service Centers to assist hotel guests and answer questions. Then he issued a small booklet, *The China Connection Directory*. Five thousand copies were



*View of the Regal Meridien Hong Kong Airport Hotel showing footbridge linking it to the airport, which features moving luggage racks and porters to eliminate the need for baggage handling by guests.*

Regent among business people.

Last year Novatin noticed that he had a high percentage of oil company staff and other China traders staying in the hotel. "They kept asking

gone in three weeks. It took no genius to recognize a pent up demand for information for China traders.

It does take a certain genius to turn a losing proposition around, which is what

Michael Novatin intends to do with a floor of empty shopping center space in his hotel. The original owners thought there would be spillover shoppers from the airport.

A combination of over-optimistic rent rates, depressed property market and a resistance to leave the terminal on the part of casual shoppers left a lot of empty spaces in the Meridien Airport hotel shopping mall.

Why not create a China Trader's Center in the unused spaces, thought Novatin. So he cleared a budget of HKD 3 million to redesign the floor into private office spaces for rent. Riggs Business Center will be there, as will a small conference room, business center, exhibition area, medical clinic and health club. Facsimile machines will be available, popular for Chinese and Japanese languages as well as English, and translators will be on call for Mandarin and Cantonese requirements.

"By the middle of March, we will have an entire floor of this hotel completely converted and geared to the business market of China," claimed Novatin in a February interview.

Other Hong Kong hotels have built their business clientele on the garment trade in Kowloon and the financial center in Hong Kong's Central district. Meridien Airport Hotel means to look into the important business sector built upon China's "open door" policy by offering better access to the China trade.

money by filling as few as 13 seats, or one-third of the aircraft's capacity.

### Successful

Model 360 entered service in December 1982 and has already been adopted by 20 airlines worldwide for short-haul service, wherein as many as 20 flights per day in all weather conditions may be operated, in a wide variety of environments. Ease of maintenance and quick-turn-around capability are required and it's likely that the record of the earlier model 330 influenced the purchase decision. That aircraft has

## Art and Automation meet in the making of "Chinaware"

Art and automation meet in the form of the Guangdong Ceramics Company. Under China's reorganized export business sector, the company has become an integrated trading and manufacturing complex that brings together everything from ceramic bathroom tiles to hand-crafted Shwan pottery figurines still baked in a Song dynasty "Dragon kiln".

Guangdong Ceramics Company's unique brief is to keep one foot in the past, providing the needs of such artisan cottage industries. Its foot is planted firmly in the present, providing for automated manufacturing of dinnerware in up to 45-piece sets, outdoor ceramics for use in gardens and architectural applications, and industrial porcelains. Guangdong ceramics imports technology, fuel, equipment parts and appliances to feed these automated production lines which supply both domestic market and export requirements.

### Shawan

Shwan is a suburb of the provincial capital, Guangzhou (Canton), and its sculpted ceramic figurines are among the premiere craft products of south China. Between the 9th and 13th centuries, Song dynasty leaders waged a running battle against conquest by the Jin kingdom, and were eventually driven to the far south.

### Guangzhou

Best known in the West are products of "Guangzhou

Yongzheng in the Qing dynasty.

What makes Guangzhou Decor so eminently decorative is that the painted enamel motifs are always enriched with gold lines, which gives them the look of tapestry. The effect is achieved by painting in fired porcelain bisque with colour glazes and gilt followed by refiring to seal them, and the amount of gold used in a given design is an important price determin-

### Shantou/Gaoqi

Shantou has been among the three great centers of ceramics for over 1,200 years, since the Tang dynasty. Since the 16th century, most production has come from

Fengxi, a suburban townlet in Chao'an country, for the simple reason that the major raw material of porcelain, high grade kaolin, is as available there as common soil. It is today a major center of underglaze blue-on-white reproductions in the Ming dynasty style and its own carved vases which apply a repousse technique to create intricate woven patterns and figures reminiscent of lace into the body of porcelain vases.

Gaoqi, in eastern Dabu county, is second only to Fengxi in the quantity of porcelain produced and its antique reproductions in the difficult to control underglazed-red technique are considered to be among the best of their kind in China.

## China's first Western Secretary

"China is wideopen," enthuses Margaret Sullivan, "every one needs help if we can provide it."

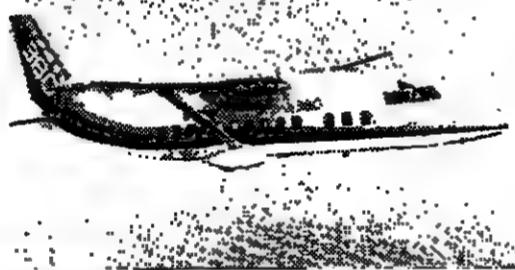
Sullivan claims established record of success at placing temporary permanent secretarial staff in China, her Hong Kong agency has become a leader in the business of secretarial services. They now offer processing, computer off-shore office facilities, instant report processing, tapes provided by visiting delegations or Chinese traders and, of course, mainstay: providing professional secretaries as required.

Differ on Way  
With Japan

## Shorts 360 Aircraft to be used in China's Air Transport Expansion

Short Brothers PLC, the Belfast aircraft manufacturers, has confirmed the signing of a contract for eight Shorts 360 regional airliners to be purchased by the Civil Aviation Administration of China (CAAC), with the possibility of further orders. The aircraft will be delivered this year and underscore Short's penetration of the Far Eastern market following successful use of the earlier Shorts 330 model aircraft in Thailand and the new 360 model in Malaysia.

China has ambitious plans for aircraft and air transport development and competition among Western companies after a slice of its enormous aerospace market is intense, which has made the sale all the more satisfying to this old and well-established aircraft company - the founders of which even produced biplanes for the Wright brothers in 1909. Today, its wide-bodied, 36-seat model 360 airliner has become a commuter airline favorite in the United States and elsewhere.



*Eight of these Short Brothers Model 360 turboprop commuter airliners will be used by CAAC in the new economic zones.*

fuel-efficient performance of any aircraft in its field. Because of it, the plane's break-even load factor beats the opposition with ease. Shorts claims some operators of the model 360 can make

achieved a 99% in-service despatch reliability record.

It is a testament to the Shorts model 360 combination of price appeal, economic operation, ruggedness and versatility that it was chosen

for use in some of the new areas of economic development around coastal cities and special zones in the south of China. A large number of commuter aircraft spanning the 40-150 seat range will be needed by the smaller regional airlines which are expected to spring up with the intended decentralization of CAAC already announced. The break-up of the state airline is expected to dramatically alter the course of aviation in China.

Tourism is increasing at exponential rates, as are the requirements for transport aircraft and those employed in resource development (e.g. forestry, crop spraying, mapping, remote sensing). CAAC reportedly operates 13 different aircraft types in 18 provinces just for resource development. Regional administrations may well want to update older aircraft types as well as expand operations; all of which bodes well for Short Brothers, whose rugged model 360 is built with a design objective to achieve a safe fatigue life of at least 40,000 flights and can be transformed from a passenger to cargo aircraft in as little as 25 minutes.

All of this translates to a large near-term demand for aircraft for which Short Brothers now enjoy an inside track in helping to fill.

## Guangzhou's Paint Brush business bristles

Although figures were not available, spokesmen for the Guangzhou office of the China National Native Produce and Animal By-products Import and Export Corporation claim they are doing a bristling business with their "three star" brand lines of paint brushes. Other product lines of the Guangzhou office, which takes pains to clarify that it is on an equal footing with the Guangdong provincial office of the same organization, include leather shoes, down and feather products, Angora white rabbit hair and leather garments, pig skin products, gloves and furs.

As explained by company spokesman, the Guangzhou city office reports directly to the Beijing headquarters, as does



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- TIANJIN
- YANTAI
- QINGDAO
- LIANYUNGANG
- NANTONG
- SHANGHAI
- NINGBO
- WENZHOU
- FUZHOU
- ZHANJIANG
- BEIHAI
- HAINAN ISLAND

### 4 Special Economic Zones

- XIAMEN
- SHANTOU
- SHENZHEN
- ZHUHAI

### Interior River-Coast Cities

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- Chongqing

### 3 Coastal Delta Zones

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- Yangtze River
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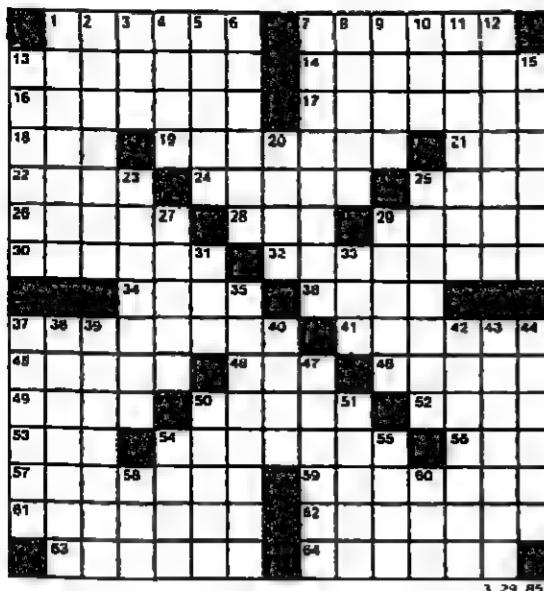
### Deposits

### Rates

### Bills

### Bank

### Gold Price



**ACROSS**

- 1 Did the huckle-buck?
- 7 At the nadir
- 13 Discritical mark
- 14 Shows
- 16 One of Webster's replies to Hayne
- 17 Old hand
- 18 He, objectively
- 19 This makes
- 21 Palms
- 22 Explorer Johnson
- 22 Satanic
- 24 Approaches
- 25 Utterlander foe; 1889-1902
- 26 Plexuses
- 28 Map abbr.
- 29 Kin of an opulence
- 30 Of perfect happiness
- 32 Sans twinklers
- 34 German river
- 36 Artist-author Silverstein
- 37 Laden
- 41 Army engineer corpsman
- 45 Audibly
- 46 Kind of sister or story
- 48 Combine
- 49 Sugar unit

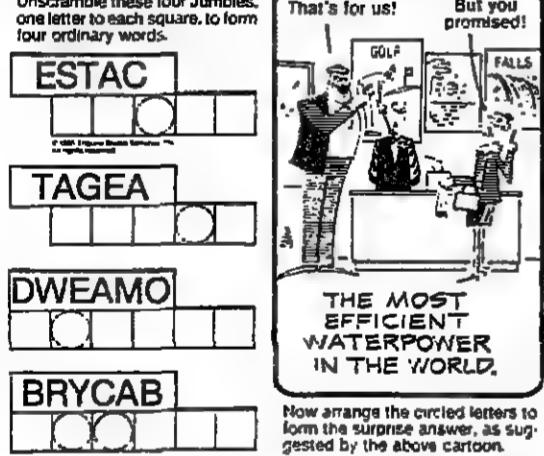
**DOWN**

- 1 Inferred
- 2 Nudist
- 3 Basketball
- 4 Football foul
- 5 Remove to a law
- 6 Nick Carter's "Key"
- 7 Young hares
- 8 Oasts
- 9 Katarina — figure skater
- 10 Chemical suffus
- 11 Marley's partner
- 12 Prickly plants
- 13 Stick together
- 15 Deadfalls
- 20 On which nelsons occur
- 23 In a queue
- 25 Whence a reliever comes
- 27 Played the paraclete
- 29 Starlike fish
- 31 Recent: Comb. form
- 33 Gift-openers sounds
- 35 Touches up a Rembrandt
- 37 Golf-ball ingredient from the bully tree
- 38 Howl
- 39 Nicholas II's surname
- 40 Condemn
- 42 Exact
- 43 Solipsists
- 44 Adjusts an alarm clock
- 47 Sounds
- 50 Rauously
- 51 "Maria —"
- 54 Opposed, in the backwoods
- 55 Asian border river
- 58 Soul, to Simone
- 60 Kindled

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Yesterday's Jumbles: EMPTY NOBLE MARVEL PARADE  
Answer: What the pillow fight in the kids' room looked like—“BED-LAM”

**WEATHER**

EUROPE		HIGH	LOW	ASIA		HIGH	LOW
Algarve	C P	F	G	Bamako	C F	C F	G
Amsterdam	75	41	56	Hong Kong	24	75	22
Athens	17	23	48	New Delhi	25	46	36
Belgrade	11	25	30	Sri Lanka	25	46	38
Bucharest	10	25	30	Tokyo	11	25	24
Budapest	10	25	30				
Copenhagen	10	25	30				
Costa Del Sol	10	25	30				
Dublin	7	25	30				
Florence	7	25	30				
Geneva	7	25	30				
Helsinki	14	26	36				
Istanbul	14	26	36				
Las Palmas	21	26	34				
Lisbon	14	26	34				
Madrid	17	26	34				
Milan	17	26	34				
Nicosia	14	26	34				
Munich	17	26	34				
Paris	6	13	27				
Prague	14	26	34				
Rome	14	26	34				
Venice	14	26	34				
Vienna	14	26	34				
Yerevan	14	26	34				
Zurich	14	26	34				
<b>MIDDLE EAST</b>							
Aleppo	22	27	37				
Beirut	25	26	34				
Damascus	17	25	37				
Tel Aviv	21	25	37				
<b>OCEANIA</b>							
Auckland	22	27	37				
Sydney	22	27	37				
Wellington	22	27	37				
<b>FRIDAY</b>							
London	13	24	34				
Temp 15° C / 31° F							
Rome	13	24	34				
Temp 15° C / 31° F							
Zurich	13	24	34				
Temp 15° C / 31° F							

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**LITERARY CRITICISM:** Essays on Literature. American Writers. English Writers. 1484 pp.

**LITERARY CRITICISM:** French Writers. Other European Writers. The Prefaces to the New York Edition. 1408 pp.

By Henry James. Edited by Leon Edel and Mark Wilson. \$27.50 each. The Library of America, 14 East 60th Street, New York, N.Y. 10022.

Reviewed by Michiko Kakutani

In the right hands, Henry James believed, literary criticism could be a "supremely beneficial" art, but it demanded a rare "cluster of qualities" — curiosity and patience and "perception at the pitch of passion and expression." As he saw it, the critic should be "the real helper of the artist, a torch-bearing outrider, the interpreter, the brother," a kind of delicate tuning fork, keyed to pick up nuances of both beauty and craft.

Now, thanks to these two superb volumes, contemporary readers are afforded the opportunity to assess James's critical œuvre — and the simple, sensuous pleasure of reading the master's improvisations on literature, American, English and European. The books have been published, with scrupulous attention to detail, by the Library of America — a brave, new enterprise, dedicated to issuing the works of prominent American writers in an authoritative form; and they contain a comprehensive collection of James's literary criticism, plus the 18 prefaces he wrote for the New York edition. More than a third of the pieces have never appeared in book form before.

In these essays, James illuminated his own writing process and the ideals he cherished as a novelist: his love of exactitude; his conviction that a story should be coherent in form as organic as a living creature; his passionate belief that novels, like old-fashioned paintings, should try to represent life. As a critic, however, he tried never to impose his values upon the works of others; and he wrote, with admiration and perception, about talents as dissimilar as Dickens, Trollope, Hawthorne, Howells and Flaubert. He could delight equally, say, in Stevenson's "Treasure Island," with its "mar-

ious coincidences and buried doublebooks" and in the more "homely and prosaic" virtues of Goethe's "Wilhelm Meister."

James's abundant catholicity of taste reflected not only his deep reservoir of sympathy for others, but also an achieved, philosophical position. He believed that the novel was the "most magnificent form of art," and that its magic derived from its elasticity, its radical freedom from definition. "The house of fiction," he wrote, has "not one window, but a million," and "the only obligation, to which in advance we may hold a novel, without incurring the accusation of being arbitrary, is that it be interesting."

What James would not tolerate was the vulgar, the egotistical and the bogus; and when he suspected that a writer was not making the most of his gifts, he could be sharply dismissive. Reviewing Walt Whitman's "Drum Taps," he wrote, "to become adopted as a national poet, it is not enough" "to discharge the undigested contents of your blustering-book into the lap of the public." He complained that "Les Fleurs du mal" revealed Baudelaire's "indiscernible puerile view" of evil — for him, evil "begins outside and not inside, and consists primarily of a great deal of bad landscape and unclean furniture."

For the most part, though, James was less interested in passing judgment on a given text than in using it to shed light on an author's overall achievement. He believed that a novel reflected "the quality of the mind of the producer," and he felt that critics had a responsibility to interpret a writer's inner life and public personality. As a result, his essays are filled with wonderful cameos — character sketches almost as vivid as those found in his novels. Kipling, for instance, emerges as a cheeky youth who "russes about making people jump with the deep sounds, the sportive exaggerations of tones that issue from his painted lips," and Turgenev, as a "storyteller who has taken notes," *sur le vif*.

The transactions between life and art continually fascinated James, and this biographical impulse led him, in these essays, to reflect upon the husbanding of material and talent and the consequences of environment, social and familial, upon a writer's sensibility.

In

his book-length essay on Hawthorne,

James spent a lot of time marveling at how

this author's life was of "social accidents" and "literary incident." He discussed the narrowness of Hawthorne's life, spent nearly entirely in small New England towns; the unsophisticated appeal of his work, and the ways in which his innocent, yet self-conscious, temperament typified the native genius. It is almost as though James — like the hero of "The Jolly Corner" — were meditating upon a possible alter-ego, what he might have been had he stayed home and never gone to Europe.

In fact the character of James so permeates these essays that the reader is left with an insistent after-image of both the writer and the man. His presence is there in the magisterial style and the elaborate, supple prose. And it is there too, in certain recurrent themes — the preoccupation with the United States and Europe, with women as heroines, and with what James called the "modern condition."

**Solution to Previous Puzzle**

FACT	CHART	TROPE
CHEER	OLEO	HOMES
CARE	LAIN	ETAPE
BOARDING	SCHOOL	TOO
TEA	OVEN	ASH
ATTLE	SANE	ESTATE
SHIVER	MEET	SCARE
KNEEL	SCAD	SCAT
SONNET	TERLE	TIA
GEET	ETC	
BABE	IN THE WOODS	
ODORS	HARI	VEER
LEANT	EVIL	ELLA
ESTES	REED	RIFF

3/26/85

Italics indicate words that did not appear in the original puzzle. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the spade two. West led the spade two. East and West were vulnerable. The bidding: West 1NT, South 2NT, North Pass, East Pass. West Pass. The club queen on the diamond king return to the closed hand with a club ruff and drive out the ace. The defense took a heart trick eventually, but Belladonna had ten tricks for a score of 590. North leads the sp



## BUSINESS ROUNDUP

**Standard Chartered Shows Rise in '84 Pretax Profit**

Reuters

LONDON — Standard Chartered PLC reported Tuesday a pretax profit rose 8 percent a year earlier, to £290.3 million (about \$334 million at current rates), but said net fell to £157.2 million from £150.2 million inclusion of a £150-million tax.

The bank said it increased its net for bad loans by 26.1 percent, to £169 million, from £134 million, reflecting a cautious asset quality in all lending areas.

It has nearly doubled, to £1.1 billion, its allocation for provisions.

Standard Chartered said operations for 1984 reflect excellent performance in South Africa, in the commercial banking business, and from its Union Bank subsidiary in California.

**British Aerospace's 46.3% Rise in Pretax Profit**

Reuters

LONDON — British Aerospace on Tuesday that pretax profits rose 46.3 percent last year, to £1.1 billion (about \$1.4 million at rates) from £723 million, help of a weaker pound and military sales.

The company, one of Europe's makers of planes, space and missile systems, rose 7 percent from 1983, from £2.3 billion.

Net profit margins on sales fell to 6.7 percent last year, 3 percent despite competitive conditions and a reduction in allowable returns on British sales. Profit on civil aircraft remained marginal, it said, while on military aircraft sales were strong. The loss activities widened to £15.2 million from £14.2 million in 1983, partly said.

Results which were above analysts' expectations, the company's shares to a share on the London Exchange before settling 385, up 5 pence from Monday.

Government of Prime Minister Margaret Thatcher plans to sell a 10 percent stake in British aerospace in early May, but will have special interest to ensure change is made in providing foreign ownership.

**Assets Up 10% At Swiss Banks**

Reuters

ZURICH — A survey of 71 Swiss banks showed assets growth during 1984 of 10 percent, due in large part to the rise in the dollar, the Swiss National Bank said Tuesday.

In its monthly report, the central bank said the 71 banks surveyed normally represent about three-quarters of all Swiss banking assets. In 1983, the bank said, their balance sheets grew by 7.2 percent. Virtually all of the difference between the two years was due to the rising dollar, it said.

Domestic loans rose by 9.5 percent after 6.3 percent in 1983, due to economic growth and to an accounting change in which deposits and loans to Liechtenstein residents were considered domestic positions for the first time.

Standard Chartered said its Malaysian operations also recorded a satisfactory profit increase.

But Singapore's results were disappointing due to intensely competitive conditions, bad-debt provisions and a temporary loss of around £5 million on the bank's newly completed building there, it said.

In Britain, Treasury and Euro-currency activities advanced again while commercial banking branches recovered well from the disappointing 1983 results.

Standard Chartered shares rose to 469 pence a share from 457 pence on Monday.

**Searle, Maker of NutraSweet, Ends Its Search for a Buyer**

Los Angeles Times Service

LOS ANGELES — G.D. Searle & Co., maker of the popular NutraSweet sugar substitute, said it has ended its search for a possible buyer of all or part of the company and that would remain independent.

The Skokie, Illinois-based pharmaceutical company announced last September that it was exploring a sale at the request of the Searle family, which wanted to diversify its 34-percent stake. Among the companies that expressed interest in Searle were Pfizer Inc., Monsanto Co. and Angus Chemical Co.

Searle said Monday that its board unanimously agreed that the company should remain independent after studying various alternatives, including a number of unidentified proposals to buy the company's businesses.

Searle stock closed Tuesday at

\$47 per share on the New York Stock Exchange, a drop of \$1.75 from Monday, when it fell \$3.

Michael A. Martorelli, an analyst with Janney Montgomery Scott in Philadelphia, said: "I still think the reason for (a sale) falling apart is that they couldn't get the deal they wanted. They couldn't get the value from NutraSweet that they thought was there."

Donald Rumsfeld, Searle's president and chief executive, said in a statement that the decision was based on "the fundamental confidence we have in the future of the company."

He cited the recent decisions by major soft-drink makers to switch to using NutraSweet in their diet beverages, the start-up of a \$130-million NutraSweet plant and Searle's plans to launch its new Cytotec anti-nausea drug in Mexico.

Searle stock closed Tuesday at

## COMPANY NOTES

Burroughs Corp. has extended its A-series of general-purpose mainframe computers to include the A15 very-large-scale system. The A15 allows users to expand processing capacity up to 70 times without changing software.

Cigahotels SpA, the luxury hotel chain, has been sold to the Aga Khan for about 190 billion lire (about \$92 million), according to Italian press reports.

Citicorp will set up a trust bank subsidiary in Japan following Tokyo's decision to let eight non-Japanese banks enter this sector, a spokesman of Citibank N.S. in Tokyo said. The bank has been negotiating a cooperation agreement with Yasuda Trust & Banking Co.

Des Moines Register & Tribune Co. said it would negotiate with Gannett Co., publisher of USA Today and the largest U.S. newspaper chain, on the sale of The Register's 14-percent stake in Cowles Media Co., publisher of the Minneapolis Star and Tribune.

Tobita Corp. has signed a contract with China's government-owned Wuhan General Copying machine plant to provide technical assistance for the manufacture of plain paper copiers.

chairman, John Raisman, said the results were pulled down by the company's oil manufacturing and marketing divisions and should have been around \$500 million.

StatOil, Norway's government-owned oil company, is to buy Exxon's Swedish petroleum operations subject to approval by the Swedish government. Terms were not disclosed.

Texaco Inc. ranked third in the U.S. oil industry, had a sharp rise in net proved developed oil and gas reserves as the result of its \$10.1-billion acquisition of Getty Oil Co., according to its annual report.

Thai Airways Co., the state-owned Thai airline, has been given final approval by the government to buy two new Airbus A310-200s, despite fierce competition from Boeing Co., a government spokesman said. The airline already has five Boeing 737-200s in its fleet.

Toshiba Corp. has signed a contract with China's government-owned Wuhan General Copying machine plant to provide technical assistance for the manufacture of plain paper copiers.

**Braniff Tries Low-Key, Low-Cost Route to Profits**

(Continued from Page 17)

enough that they don't constitute a threat to American."

Braniff came into being as a scaled-down carrier after the former Braniff International filed for protection from creditors in May 1982. Last November, after posting \$81.9 million in losses in its first eight months, the new Braniff decided to seek survival by cutting back still further and becoming a budget carrier.

Patrick Foley, the vice chairman of Braniff, grounded 20 of 30 planes and cut the work force of 2,400 by more than half. He also brought in as president Ron Ridgeway, a former senior vice president of customer service with the old Braniff, to revamp the smaller carrier.

This lean approach was in contrast to the ambitious strategy begun on March 1, 1984, when the new Braniff began service to 20 cities with 30 refurbished Boeing 727s. It had a kitty of \$70 million put together by Jay A. Pritzker, chairman of Hyatt Corp. After months of haggling, Mr. Pritzker persuaded creditor groups to rent the planes and take a chance on the new carrier.

The primary goal was to attract business travelers by offering better food and roomier seats at regular coach prices while also selling some discount seats in the back of the plane.

That strategy failed dismally. The business travelers the airline had hoped to attract remained with the larger airlines, which offered more flights and had gained the

loyalty through "frequent traveler" programs.

"There were no other options" but to try a different approach, Mr. Foley recalled recently. "We'd give the concept enough time to see if it would work. We decided to make a change."

So far, the change has been working. Under the old strategy, the load factor, which measures how many available seats are occupied, averaged 42.3 percent from March through October. In contrast, Mr. Ridgeway said, the loads from November through February averaged 64 percent, with a high of 65 percent in February.

At the same time, he added, Braniff has been able to reduce its costs. By May, he predicted, its break-even load factor will be below 60 percent. Now, it is about 65 percent.

A major expense that the airline has shed is the cost of 10 of the 20 planes that were grounded last November and remained parked at Love Field in Dallas, where Braniff has seven. Braniff has limited itself to two.

American tolerates Braniff because it would lose more money by matching Braniff's fares than by letting the smaller airline have a limited fare advantage. Braniff's one-way, unrestricted coach fare from Dallas to La Guardia in New York, for example, is \$135, compared with \$144 for the large carriers.

The company had to continue to make lease payments of \$90,000 a month on each to BRNF Liquidating Trust, which represents the airline's creditors. Braniff also had to spend \$30,000 a month per plane on maintenance.

"With all 10 of them parked out there," Mr. Ridgeway said, "that was \$1.2 million of unproductive costs going out the front door each month."

He said that the carrier returned the planes to BRNF.

Also, the monthly rental of

\$90,000 on the remaining planes has become a bargain. The price of about \$5 million a plane to more than \$8 million. The rise is mainly attributed to falling aviation fuel prices, which have made the used planes less costly to operate.

The airline, which has put 10 more planes in service, also has built up its route system and is flying 15 planes to 13 cities, with the other five planes being used for charters. Still, it remains a shadow of its former self. At its height, Braniff International had 70 planes flying to more than 50 domestic locations and an extensive network in Latin America.

Mr. Ridgeway conceded that Braniff faces stiff competition from such powerful rivals as American Airlines, which accounts for 63 percent of the travel at Dallas-Fort Worth. While American has 11 nonstop flights daily from Dallas to New York, and Delta Air Lines has seven, Braniff has limited itself to two.

American tolerates Braniff because it would lose more money by matching Braniff's fares than by letting the smaller airline have a limited fare advantage. Braniff's one-way, unrestricted coach fare from Dallas to La Guardia in New York, for example, is \$135, compared with \$144 for the large carriers.

"It's a more humble approach," said Robert Fornaro, the vice president of marketing for Braniff. "We're not looking to be a large hub-dominating airline."

China Offers Oil Price Help

Reuters

BEIJING — China will take active measures to cooperate with OPEC countries to stabilize oil prices, a Chinese envoy told the Venezuelan Foreign Ministry.

York, for example, is \$135, compared with \$144 for the large carriers.

Large carriers do offer some much lower fares, but with restrictions, such as a 30-day advance purchase requirement. Such restrictions make these fares less attractive to travelers who cannot plan far ahead.

Braniff is also seeking to spread its operations to areas where the competition is less fierce. On April 28, Mr. Ridgeway said, Braniff will put three to five of its planes into Kansas City, Missouri, for flights to Los Angeles, Phoenix, Arizona, Las Vegas, New York's La Guardia Airport and National Airport in Washington.

"It's a more humble approach," said Robert Fornaro, the vice president of marketing for Braniff. "We're not looking to be a large hub-dominating airline."

It's a more humble approach," said Robert Fornaro, the vice president of marketing for Braniff. "We're not looking to be a large hub-dominating airline."

**800% PROFITS - FACT OR FANTASY?**

Economists who belittle the American dream are oblivious to the North American quest for achievement. In its relentless pursuit of ultimate excellence, the United States has been described as a daring experiment, one generation ahead of everybody else, the last word in modernity, the future that works, the next century. Even the inroads of Japan will not permanently fracture America's vision of fulfillment.

The convulsions of Vietnam set back, but did not negate, America's "rendezvous with destiny". Americans are emerging from the self-incriminating lyrics of the 1960s students have abandoned the "gospel" according to Bob Dylan, and are studying again, trying to blend materialism with non-dogmatic morality.

We are not advocating a return to "Great Gatsby" class distinctions or the capitalism mocked by Sinclair Lewis, but rather an enlightened fiscalism, combining Yankee shrewdness with creative carelessness.

In January 1982, our editors, mirroring the new mood in America, wrote... "We are adamant in predicting a massive bull market, repeating our thesis that the DOW NOW 790, WILL TOUCH 1,000, BEFORE HITTING 750, THAT BY 1983, 100,000,000 SHARE TRADING DAYS WILL BE ROUTINE ON THE N.Y.S.E. FOR THE LEAST EXPENSIVE COMMODITIES IN THE WORLD ARE BONA-FIDE U.S.A. EQUITIES, MOST OF WHICH ARE TRADING FAR BELOW REPLACEMENT VALUE OR FUTURE EARNING POWER. DOOMSDAY THINKING IS A HARBINGER OF BETTER TIMES, FOR EVERY BULL MARKET IS SPAWNED DURING THE NADIR OF SOUR ECONOMIC NEWS." Our prophecies eventuated. Once again the contrarian triumphed. And now? We believe the DOW will catapult over 1500.

C.G.R.'s current letter reviews four "Big Board" corporations that may be ingested by predators. In addition, we focus upon a low-priced stock with the potential to emulate a recently recommended "special situation" that spiraled 800% before a 4-1 stock split.

For your complimentary copy, please write to or telephone:

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Phone: \_\_\_\_\_

Past performance does not guarantee future results

# المؤسسة العربية الصُّرْفِيَّةُ

# Arab Banking Corporation

## 1984 ABC Group Results

Consolidated Balance Sheet  
31 December 1984

Assets	1984 US\$ (in millions)	1983 US\$ (in millions)
Liquid funds	362	15
Marketable securities	544	420
Deposits with banks and other financial institutions	4,962	4,742
Loans and advances	4,649	3,358
Investments in affiliates	29	24
Other assets	390	187
Premises and equipment	119	16
<b>Total assets</b>	<b>11,055</b>	<b>8,762</b>
Liabilities		
Deposits from customers	1,810	823
Deposits from banks and other financial institutions	6,970	6,617
Certificates of deposit	532	—
Other liabilities	452	213
Proposed dividend	45	45
<b>Total liabilities</b>	<b>9,809</b>	<b>7,698</b>
Capital resources		
Term notes and bonds	132	36
Shareholders' funds		
Share capital	750	750
Reserves	348	266
Retained earnings	16	12
<b>Total capital resources</b>	<b>1,114</b>	<b>1,028</b>
<b>Total liabilities and capital resources</b>	<b>11,055</b>	<b>8,762</b>

At the Ordinary Shareholders General Meeting held on March 13, 1985, the Shareholders of Arab Banking Corporation (B.S.C.) ratified the audited Financial Statements of the Corporation ending December 31, 1984 and approved the appropriation of net profits as proposed by the Board of Directors as follows:

Net profit for the year	110	107
Retained earnings at beginning of the year	12	16
Profit available for appropriation	122	123
Appropriations		
Statutory reserve</td		

**Tuesday's  
AMEX  
Closing**

**Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.**  
*Via The Associated Press*

## **Over-the-Counter**

## NASDAQ National Market Prices

**AMEX High-Lows**

NEW HIGHS 13	
Symbol	Name
BleRodB	BleRod A
Clopy Corp	Giant Food
Movistar	PAGE 2010
Sprint@ w/	Un/HI m

NEW LOWS 12	
Symbol	Name
CapitaIn A	CosmeCra n
KarenCom	PastorI Ch.
stretch@	He
stitch@	

**Vermitsa**

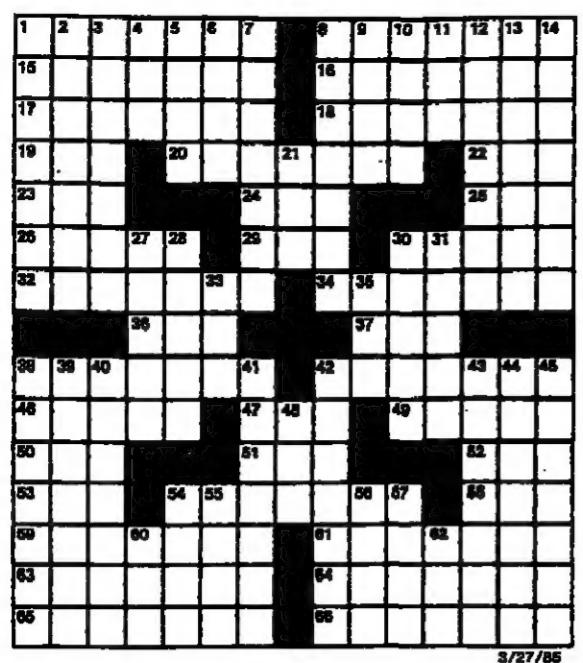
# Mondays

in the Trib.

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(Continued on Page 2)





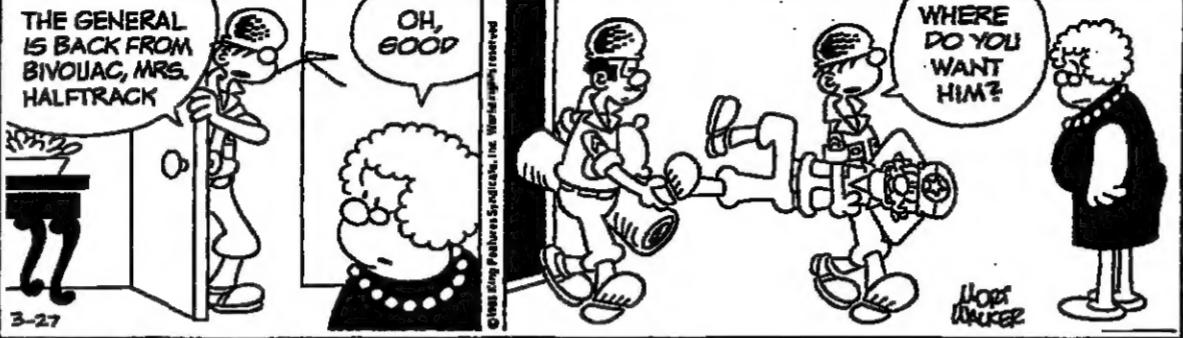
## PEANUTS



## BLONDIE



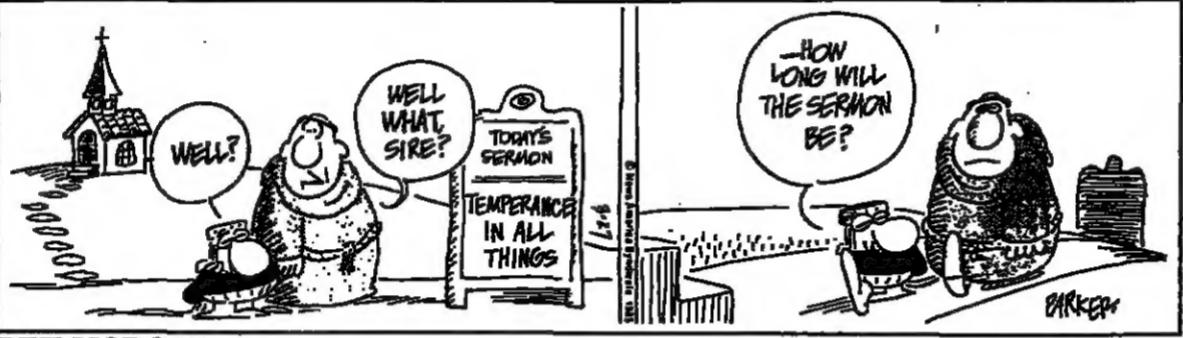
## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



**ACROSS**

- Generally regarded
- Musical form
- Issue
- Account
- Balearic island
- School at Anapolis
- pro nobis
- Draws back
- French article
- City on the Danube
- m.
- Verdina
- Lake Balkhash feeder
- Moral code
- Large quantity
- Stone pillar
- Perform again
- Rome's St. John — Queen Spanish name
- Sleep phenom.
- Autocrats
- Ready
- Diminish
- Average
- Union unit
- TV network
- River in Devon

**DOWN**

- This hits the spots
- Kin of a sheikdom
- Flair
- Número
- Salts
- Engrave
- Mommie —, "C."
- Crawford book
- Pertaining to the skull
- Shucks!
- Shamrocks' cousins
- Divest, as of pests
- Germ cells
- Liq. measures
- Library procedure
- Tennis term
- Members of a pride
- Analgasic Esau
- Celestial gateman
- Stripper
- Toadies
- Travbr.
- Spotted
- Sing hit in 1953
- W.W. I poet
- He wrote "Astrophel"
- Laundry verb
- Altar boy
- Gliston
- Some beetles
- What the king of diamonds has
- Victoria's physician
- Diminutive suffix
- This precedes bellum
- Canter
- Labor org.
- Blue Hen St.

© New York Times, edited by Eugene Maleska.

## DENNIS THE MENACE



"SEE YA LATER... I'M GON' OVER TO THE WILSONS' AN' LISTEN TO SOME FATS WALLER."

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

**ARDOH**

**CYZAR**

**GALENT**

**SUMOTT**

WHAT THE TIRED SWABIE WAS LOOKING FORWARD TO.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: **\_\_\_\_\_**

(Answers tomorrow)

Yesterday's Jumble: MESSY TWEET SALOON HERBY

Answer: Some people who are worth a lot can still be this — WORTHLESS

## WEATHER

## EUROPE

HIGH LOW

Amsterdam 71 70

Brussels 19 66

Berlin 17 64

Bogota 11 59

Brussels 14 72

Bucharest 14 71

Calcutta 6 42

Caracas 22 73

Edinburgh 5 44

Florence 18 59

Geneva 15 59

Helsinki 15 59

Istanbul 22 72

Lisbon 17 62

London 15 59

Madrid 15 59

Milan 15 59

Moscow 15 59

Nice 15 59

Oulu 15 59

Paris 11 52

Prague 11 52

Rome 17 62

Stockholm 15 59

Strasbourg 15 59

Tbilisi 15 59

Toronto 14 57

Venice 14 57

Vienna 14 57

Warsaw 14 57

Zurich 14 57

**ASIA**

Bangkok 5 59

Beijing 12 59

Chengdu 12 59

Delhi 35 77

Guangzhou 35 77

Hong Kong 14 59

Kuala Lumpur 35 77

Manila 35 77

Mecca 35 77

Mumbai 35 77

Phnom Penh 35 77

Seoul 35 77

Singapore 35 77

Taipei 35 77

Tokyo 35 77

Yerevan 35 77

**AFRICA**

Algiers 19 66

Casablanca 21 76

Cape Town 21 76

Conakry 21 76

Dakar 21 76

Juba 21 76

Khartoum 21 76

Lagos 21 76

Maputo 21 76

Marrakesh 21 76

Nairobi 21 76

Port Louis 21 76

Rabat 21 76

Windhoek 21 76

**LATIN AMERICA**

Buenos Aires 24 76

Caracas 24 76

Chile 24 76

Colombia 24 76

Costa Rica 24 76

Ecuador 24 76

Guatemala 24 76

Honduras 24 76

Mexico City 24 76

Montevideo 24 76

Peru 24 76

Porto Alegre 24 76

Rio de Janeiro 24 76

Santiago 24 76

Santo Domingo 24 76

Sao Paulo 24 76

Uruguay 24 76

Venezuela 24 76

**NORTH AMERICA**

Astoria 24 76

Atlanta 24 76

Baltimore 24 76

Boston 24 76

Chicago 24 76

Cincinnati 24 76

Dallas 24 76

Detroit 24 76

Hartford 24 76

Houston 24 76

Indianapolis 24 76

Jacksonville 24 76

Kansas City 24 76

Las Vegas 24 76

Los Angeles 24 76

Montreal 24 76

New Orleans 24 76

New York 24 76

Philadelphia 24 76

Pittsburgh 24 76

Portland 24 76

Raleigh 24 76

St. Louis 24 76

Tampa 24 76

Toronto 24 76

Washington 24 76

Winnipeg 24 76

**MIDDLE EAST**

Ankara 18 52

Bahrain 19 52

Baku 19 52

Jerusalem 19 52

Tel Aviv 23 75

**OCEANIA**

Auckland 19 52

Sydney 19 52

Sydney 19 52

**ASIA-PACIFIC**

Channel Islands 19 52

China 19 52

Hong Kong 19 52

Japan 19 52

Macau 19 52

Philippines 19 52

Singapore 19 52

South Korea 19 52

Thailand 19 52

Taiwan 19 52

## SPORTS

## enter Forwards front and Center

International Herald Tribune

LONDON — For an extinct breed, the center forward is having a mighty impact on world football. In the wild card that has consumed Barca all week, a slender, blond, t-bearded figure skipped the slapping with the excuse his country needed him for Cup duty. And so, but when Steve Archibald returns from Scotland, little millions of Catalans will be

**ROB HUGHES**

ing. He is the hero, the goal-scorer on a side that after 11 long years, has recaptured Spanish League title.

Because of him, and because of coaching tactics of Terry Venables and Alan Harris (London's misunderstood and misused as he was last summer), the fanatics have even sewed union jack into the Catalan Capitalist, while ye may.

France, where they say there are forwards (only the best field on earth), Bernard Labat is stroking Bordeaux to another league championship and a European Cup final against Juventus. He comes at 1.71 metres (5-7), well short of the six-foot national center forward. But more goals from him during a run of Axerre suggest that, is 33rd year, the persistent Labat is finally getting the hang of finishing game.

eventually has Paolo Rossi, the feted goal-poacher of italy won the 1982 World Cup. Strange how Italians — payings' ransoms to Rossi to undermine Maradona, Zico even a strapping young Englishman, Mark Hateley — have

been slow to warm to Preben Elkjaer.

The big, angular, awkward-looking Dane deceives them almost as much as their old warhorse Francesco Graziani did for years on the national team. Elkjaer scored again as Verona stretched to five points clear in the Italian championship last Sunday.

Many good judges though Elkjaer the most effective center forward in last summer's European championship. Yet the Dane went to Italy as an also-ran, for \$1.6 million — a quarter of Maradona's cost to Naples, a third of Rummenigge's to Inter-Milan.

The sleek allure of Maradona and Rummenigge (and lately their scintillating burst of form) can attract three-quarters of a million dollars at the gate — and while Rummenigge has long led West Germany, it is something new for Argentina to gamble on the volatile Maradona as captain of the World Cup qualifiers.

Maradona brought excitement to Barcelona last year. He scored, he was butchered, he fought, often literally, into the headlines. But he never achieved what Archibald has by reliable prodding, by a stealth that makes opponents and sometimes the crowd question whether he was there at all. They know at Tottenham, where he played last season: The Spurs are pushing for the English title — but from second place, for want of a center forward who scores often than he misses.

"You either have the knack of scoring goals or you don't," observes the Scot. "I have. I'm absolutely at ease with both feet. I'm sharp, I have nerve and I get the ball on target. I also love the challenge of proving myself in a new environment."



An airborne Steve Archibald, ripping a shot for Barcelona in Spanish First Division play.

The best two center forwards in Britain are both Welshmen — Liverpool's Ian Rush and Manchester United's Mark Hughes. Though only 24, Rush has been around for years, and Hughes has burst out of Manchester's reserves to see off the million-pound opposition with his temerity, his pace, his single-mindedness.

England may also be attempting too much of a good thing. On Tuesday it played the Republic of Ireland with not one but three center forwards — Hateley plus two of Manchester's reserves — and a fourth, Gary Lineker, to the right.

Two of England's substitutes were center forwards — Arsenal's aging leader Paul Mariner and Nottingham Forest's leamer Peter Davison, like Waddle a latecomer to the professional ranks.

They might reflect how fickle the role can be. Exactly a year ago

Luther Blissett, then an England forward, was being ridiculed by Milan President Giuseppe Farina, who, disatisfied with Blissett's three goals in 22 games, commented: "The lesson is we shall not buy any more English players."

He did precisely that and basked, for half a season anyway, in the goals from his next million-pound acquisition, Hateley.

England so overburdened? Doubtful, but Uruguay could do with any spare goal power. The South American champion, and among the favorites to win the 1986 World Cup, Uruguay lost a bruising match in Chile this week and finished almost as wounded as the referee, who was twice hit by missiles.

Uruguay must win in Ecuador on Sunday (against a no-hoper it scraped past with a last-minute goal at home) or even qualifica-

tion is lost. And although much more was expected of the pacy Carlos Aguirre, Uruguayan Coach Omar Bonas must wonder where he went wrong with a squad he has trained in seclusion since January.

Perhaps it is because he sees no center forward, no main man? "My kind of player," Bonas told me, "doesn't care a lot of culture, but he must be intelligent, temperamental, with fighting spirit and mentally alert. And he must not be individualistic, either on the field or off it. Physically, he must be not less than 1-meter-80 with enough kilos to make his weight felt, strong with a hard shot but not necessarily a good dribbler."

That rules out most of the above. Even in a team game, goal-scorers are hungry for personal glory.

**VANTAGE POINT / John Feinstein****1984-85: Season of the Big East**

Washington Post Service

WASHINGTON — Finally, the 1984-85 college basketball season has found a legacy.

Since the ball first went up in November, there has been little doubt that — barring injury — Georgetown would repeat as national champion. No team coached by John Thompson and anchored by Patrick Ewing is going to lose its hunger.

But now there will be something else worth remembering about the season. Last weekend a monarch fell in a bloodless but thorough coup. Four times the Big East, the six-year-old pretender, challenged the Atlantic Coast Conference, the king. The pretender won all four.

As a result, three Big East teams — a tournament record — are in the NCAA's final four. Does that mean a new order has been established? No, but it does mean this one will be remembered, correctly, as the season of the Big East.

Coch Coach Jim Calhoun and Villanova took the measure of the ACC not once but twice during the weekend. Friday, they beat Maryland; Sunday, they embarrassed North Carolina. And Georgetown's victory over Georgia Tech on Saturday and St. John's West Regional victory over North Carolina State Sunday and the figures are complete and convincing. Regular season score: Big East 3, ACC 1. NCAA score: Big East 5, ACC 1.

The beauty of the college game, though, is its constant change. The three Big East teams going to Lexington, Kentucky, this weekend are built around seniors. All three will be good next year but not as good.

The ACC, by contrast, is a league of underclassmen, except N.C. State. Georgia Tech loses only Yvon Joseph from its superb 27-8 team. North Carolina (27-9) loses one of note and has had the nation's best recruiting year. Duke (23-8) loses only Danny Meagher.

But that's 1984-85. This is the Big East's season to crow. The fourth team in the final four, Memphis State, is almost an afterthought. The Tigers are the product of a Midwest Regional that could easily have passed for the national junior-college tournament for all its on-court and coaching discipline.

If there is to be a suspenseful national final on Monday, Villanova must beat Memphis State on Saturday. There is no way Memphis State can beat St. John's, much less Georgetown. The Redmen and Hoyas have at least as much talent and know what the words discipline and defense mean.

Villanova's Wildcats have reached the semifinals with those two words. Their average score in four tournament victories has been 53-48. Massimino controls every move, every possession. Last weekend, when his team shot horribly in both first halves, the scores were close because the games were slow. In the second halves, the Wildcats built leads and then held on with the spread offense. Massimino loves to use when there's no shot clock. Villanova will try to do just that against Memphis State; give Massimino a second lead and the Tigers will be history.

There are no such obvious notions about St. John's-Georgetown. The Redmen, who crawled out of Madison Square Garden two weeks ago after a battering in the Big East final, seem to have caught a second wind.

But St. John's will be hard-pressed to make its fourth meeting of the season with the Hoyas any different from meetings two and three. Georgetown will not consider its season complete until Thompson and Ewing repeat their victory dance of a year ago.

For St. John's, boarding the plane to Lexington means the season has been a success. It will be motivated, but motivation is different from mission.

Saturday it was again apparent that Georgetown has a mission. That may be Thompson's greatest strength as a coach — his ability to convince his players that for 40 minutes you don't play a game, you go to war. He dislikes hearing that his team is violent, but it is more than merely aggressive. Personified by Ewing, therein lies Georgetown's brilliance: Other teams are convinced that Georgetown will refuse defeat.

In the end, the difference is between wanting to win and refusing to lose. There's no reason to believe that will change in Lexington.

**Knicks Lose Game, King**

Compiled by Our Staff From Dispatches

MILWAUKEE — New York Coach Hubie Brown, who had just lost the services of Bernard King, the National Basketball Association's leading scorer, could not avoid noting the differences between his injury-depleted roster and the vigor of the Milwaukee reserves.

"The Bucks were overpowering," Brown said after Milwaukee had breezed to a 126-106 victory here

Slowed by the absences of other injured players — Bill Cartwright, Marvin Webster, Trick Robinson and Pat Cummings — the Knicks trailed throughout.

Sidney Moncrief had 23 points and rookie Kenny Fields added a career-high 21 as the Bucks improved to 51-21. The loss dropped New York to 24-48 and was the 31st defeat in 36 road games for the Atlantic Division cellar-dwellers.

The Bucks led 64-52, at halftime, and extended their lead to 23 points behind Moncrief's 11 third-period points and Mokeski's 10.

Terry Cummings had 15 points as Milwaukee took a 41-23 lead after the first quarter, in which the Bucks hit 82 percent from the floor (the Knicks shot 23 percent). Fields came off the bench in the second period to score 15 points.

"It's been a demoralizing year," Brown said. "We fight hard every night, but you can't win playing second-string guys 30 or 35 minutes a night."

Nelson said the Bucks "have been fortunate in avoiding that situation this year. I think playing everyone for short periods of time helps a lot."

"I thank Nelson for taking it easy on us."

Elsewhere it was Portland 120, the Los Angeles Clippers 99, and Kansas City 121, Seattle 106.



King: Out for the year.

**Basketball****National Basketball Association Leaders**

NBA leaders through games of Sunday, March 26

TEAM OFFENSE	G	Pct.	AVG.
Denver	71	.558	12.1
LA Lakers	70	.572	11.6
Detroit	70	.512	11.2
Boston	71	.516	11.2
San Antonio	72	.577	11.2
Portland	71	.517	11.1
New York City	71	.507	11.1
Philadelphia	71	.564	11.1
Milwaukee	71	.568	11.1
Dallas	72	.559	11.1
Houston	69	.547	11.1
New Jersey	72	.522	11.1
Utah	71	.564	11.1
Seattle	71	.527	11.1
Chicago	72	.562	11.1
Phoenix	72	.562	11.1
Philadelphia	71	.521	11.1
Cleveland	71	.546	11.1
Atlanta	71	.547	11.1
LA Clippers	72	.544	11.1
New York	72	.529	11.1
Washington	70	.527	11.1
Seattle	70	.527	11.1

TEAM DEFENSE	G	Pct.	AVG.
Milwaukee	71	.576	10.9
Seattle	71	.576	10.9
Chicago	72	.576	10.9
Phoenix	72	.576	10.9
Philadelphia	71	.576	10.9
Cleveland	71	.576	10.9
Atlanta	71	.576	10.9
LA Clippers	72	.576	10.9
New York	72	.576	10.9
Washington	70	.576	10.9
Seattle	70	.576	10.9

SCORING	G	FG	FT	Pts	Avg.
Kings, N.Y.	55	.471	.267	102.9	2.3
Birds, S.C.	71	.520	.346	202.8	2.8
Smart, G.	69	.529	.350	198.2	2.8
Wilkins, Atl.	71	.577	.328	194.2	2.8
Adams, Atl.	71	.521	.321	191.2	2.8
Moncrief, Mil.	69	.527	.348	189.2	2.8
Lineker, K.C.	71	.523	.347	187.2	2.8
Orton, Den.	67	.593	.359	184.2	2.8
Griffith, Utah	72	.564	.304	180.2	2.8
Abdul-Jabbar, L.A.L.	65	.502	.302	179.2	2.8
Notice, Phila.	51	.518	.302	178.2	2.8
Carroll, Phila.	52	.518	.302	177.2	2.8
Worthy, L.A.L.	52	.529	.302	176.2	2.8
McHale, Bos.	51	.513	.302	175.2	2.8
Johnson, L.A.	49	.511	.302	174.2	2.8
Conley, Clev.	60	.515	.302	173.2	2.8
Thomas, Den.	61	.511	.302	172.2	2.8

## PEOPLE

Movies on Bank Fail  
Mafia Planned in Ita

Max von Sydow, Rod Steiger, and Dustin Hoffman will begin in May to film movies dealing with bank failures and the Mafia, newspapers say. "Il Punto" (Milan) said the cast will include Tom Sizemore, whose confession to police round up hundreds of suspected of Mafia activities with the Sicilian bandit Mi Sizemore, who is accused of a masterminded his own kidnap from New York and the slaying of an Italian official investigating collapse of his banking empire. Sydow is to play Sizemore, the paper "Stampa" said. And, Daily Corriere della Sera said, Steiger would appear in "The Friars' Bridge" as Roberto who was found hanging Blackfriars Bridge in London the failure of his Banco Asiano, and that Hoffman's play Flavio Carbone, one of people to see Calvi alive.

Princess Margaret, 54, underwent lung surgery two months ago has been ordered by her doctor to cancel a visit to Gladeside said Tuesday.

The American novelist Vonnegut Jr. has called the mounting of the Polish chapter PEN, the international writers' association, a tragic move. Von and another novelist, William Styron, met with writers in Warsaw last week. Poland's independent chapter was suspended August 1983 and re-formed under Ministry of Culture. The paragonization voted not to reconstitute the new chapter. "There are Eastern European countries have independent PEN clubs works fine there," Vonnegut He and Styron went to Gdansk meet Lech Walesa, leader banned trade union Solidarnosc's said.

The comedians Carol Burnett and Sid Caesar and the former anchorman Walter Cronkite been inducted into the Television Hall of Fame Red Ing of "Twilight Zone" Sam Sullivan and Joyce Hall, founders of "Hallmark Hall of Fame" were inducted posthumously by the Academy of Television and Sciences.

## OBSERVER

## England: Jolly Good Buy

By Russell Baker

**N**EW YORK — Big spenders had known for years that England was the place to shop if you wanted an artistic masterpiece as a hedge against inflation.

The word that spread rapidly among excessively moneyed shopkeepers was: "England is a jolly good buy in Old Masters," and in time, billionaires hoping to establish art museums in the cultural deserts that had spawned them were buying entire collections in England almost as casually as Americans used to buy postcards in Paris.

A new word spread among the world's billionaires: "England is a jolly good buy in art museums if you're looking for something to class up that arid backwater you call home."

At this stage, shoppers who thought of England as a jolly good buy were mostly the sort of people who buy a Velázquez to hang over the barbecue grill as a conversation piece.

Then a startling idea was spread by a combination of merchants who sell consumer goods, airplane seats, and credit cards. In huge advertisements these entrepreneurs urged Americans to use their credit cards to buy airplane seats to London in order to buy consumer goods at bargain prices at Harrods, possibly England's finest department store.

Suddenly the entire world was invited to think of the English market as a snooty auction room knocking down Rubens and Holbein to Mr. and Mrs. Moneybags but as a bargain basement of the things that make the pulse of common humanity pound faster: bedroom slippers, pillow cases, photograph frames, socks, bathrobes, neckties, etc.

Rarely is there such a dramatic illustration of our genius for reducing romance, fantasy — even miracle — to ordinariness. It was bound to make people rethink their world. Perhaps if the world was of such ordinariness, they had given certain things, certain institutions — institutions like England, for example — too much awe, too much respect.

Perhaps England was nothing but a jolly good buy. One hadn't thought of England quite like that.

before. One had thought of Henry VIII, Good Queen Bess, and so on, but now suddenly it had become just another place on the trolley line.

Such changes in ways of thinking can have explosive effect. And so, England was stunned early in 1985 to hear that all of Harrods — famous, elegant Harrods — had been bought by an Egyptian family.

A few days later, another astonishing piece of market news: Burke's Peerage, the honored record book of British nobility's bloodlines, had been bought by an American.

It was inevitable that by the end of 1985 a consortium of Italian dress designers would start dicker- ing to buy Alistair Cooke, whose presence they anticipated, would add tone to their showings.

This deal collapsed, of course, when it was discovered that Cooke was not English but American. Italian couture's attempt to buy an American, however, so outraged Donald Trump, the New York real estate tycoon, that he immediately attempted to buy Italy.

Italy, somewhat testily, told Trump that there wasn't enough money in New York to buy the Leaning Tower of Pisa, much less the rest of Italy's glory, and mention of Pisa's tower turned Trump's attention to the Tower of London.

In its current condition, true, it was scarcely a worthy companion piece to the Trump Tower of Fifth Avenue, but by putting boutiques on the third floor, raising the entire structure 50 stories higher and putting in triple penthouse suites, architects could probably turn it into something that a rock star would not be ashamed to be found over- dressed in.

In fact, the Tower of London was such a jolly good buy that before Trump could close a deal it was snapped up by a syndicate of Latin American dictators. They are dividing it into condominiums so that after being overthrown by their dictatorial successors they will have safe places to flee to.

All are looking forward to fleeing to England, where — if they can steal their national treasures before fleeing home — they hope to buy Windsor Castle before the Cuckoo's Nest.

Rumors-up to "Amadeus" were "The Killing Fields," with three Oscars — the others were for cinematography, by Chris Menges, and for editing — and "A Passage

to India" and "Places in the Heart," with two apiece.

Abraham, 45, a veteran of television commercials and off-Broadway theater, won for his first starring film role. Tom Hulce as Mozart had also been nominated as best actor.

Field, 37, who was also named best actress for 1979's "Norma Rae," thanked the writer-director Robert Benton, who won this year's Oscar for best original screenplay. "Oh Benton, what you did for me," she said. "You changed my life, truly. This means so much more to me this time."

Ashcroft, 77, did not attend the ceremony; she was in England for the funeral of Sir Michael Redgrave. Her award was accepted by Angela Lansbury, who said it was "marvelous" that after an illustrious stage career, Peggy can now be seen and appreciated by film audiences everywhere.

Ngor, 34, who was trained as a physician, and was working as a refugee employment counselor in Los Angeles before being cast in "The Killing Fields," said: "This is unbelievable, but so is my entire life." He thanked his producer, David Puttnam, and director, Roland Joffe, as well as the "casting lady who found me," and concluded: "I thank God, Buddha, that I am even here."

The Oscar for best foreign-language film went to the Swiss-made "Dangerous Moves," produced by Arthur Cohn, about



Winners: Forman, director; Field and Abraham, best acting; Ashcroft (top right) and Ngor, best support; Cohn (below right), foreign film.

## 'Amadeus' Wins 8 Oscars; Abraham Named Best Actor

Compiled by Our Staff From Dispatches

**L**OS ANGELES — "Amadeus," a fictional account of Wolfgang Amadeus Mozart's final years as seen by a rival composer, Antonio Salieri, dominated the Academy Awards with eight Oscars, including best picture and best actor, for F. Murray Abraham as the jealous Salieri. Field claimed her second Oscar for best actress as a farm widow in "Places in the Heart."

Hsing S. Ngor, a Cambodian refugee making his acting debut as an American reporter's assistant in "The Killing Fields," and Dame Peggy Ashcroft as the enigmatic English visitor, Mrs. Moore, in "A Passage to India," were named best supporting performers at the 57th Academy Awards. The ceremony Monday night was telecast to most of the world, including China for the first time.

Milos Forman took the best-director prize for "Amadeus," which also captured awards for makeup, sound, art direction, costume design and screenplay adaptation, by Peter Shaffer from his play of the same name. The Czech-born Forman also won as best director for 1975's "One Flew Over the Cuckoo's Nest."

Others up to "Amadeus" were "The Killing Fields," with three Oscars — the others were for cinematography, by Chris Menges, and for editing — and "A Passage to India" and "Places in the Heart," with two apiece.

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Ngor played Dith Pran, the Cambodian assistant to The New York Times correspondent in Phnom Penh, Sydney H. Schenck, during the fall of the city to the Khmer Rouge insurgents. Like Pran, Ngor was marked for death by the Khmer Rouge as an intellectual. He was captured three times and lost part of a finger while being tortured.

The most popular award of the evening was given by Cary Grant to James Stewart, an honorary Oscar for "50 years of memorable performances, for high ideals both on and off the screen."

Stewart, 76, strode outstage to a standing ovation and, with customary modesty, thanked all his co-workers — "everybody who was there with me and helped me along between 'action' and 'cut!'"

The music awards included Stevie Wonder's "I Just Called to Say I Love You" from "The Woman in Red" as best song. The rock star Prince won for best original score song or adaptation score for his semi-autobiographical film "Purple Rain" and came up to accept his award in a blue-sequined tuxedo. Maurice Jarre won for his original score for "A Passage to India," and said: "I was lucky Mozart was not eligible this year."

The Oscar for best foreign-language film went to the Swiss-made "Dangerous Moves," produced by Arthur Cohn, about

a world-championship chess match between a Russian and an exiled dissident. It starred Michel Piccoli, Liv Ullmann and Leslie Caron.

At the beginning of the broadcast, the master of ceremonies, Jack Lemmon, sounded the theme for the awards show.

"Brevity is the soul of wit," Lemmon said, "and we hope to be very witty tonight."

Last year the ceremonies ran 3 hours and 45 minutes, a mark trimmed by 40 minutes this year as most recipients, signaled by red lights and threatened with cut-off music if they exceeded the 45-second time limit, kept their acceptance speeches short.

Other awards:

DOCUMENTARY FEATURE: "The Times of Harvey Milk."

DOCUMENTARY SHORT SUBJECT: "The Stone Carvers."

ANIMATED SHORT FILM: "Charade."

LIVE ACTION SHORT FILM: "Up."

VISUAL EFFECTS: "Indiana Jones and the Temple of Doom."

JEAN HERSHOLT AWARD: David Wolper, producer of the opening and closing ceremonies of the 57th Academy Awards.

STANLEY KRAMER AWARD: "Twilight Zone" Sam Sullivan and Joyce Hall, founders of the Hallmark Hall of Fame, were inducted posthumously by the Academy of Television and Sciences.

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